

Confidential

# Conference on Indonesia

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## Documents

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## COERT duBOIS—CRITCHLEY PROPOSALS

### WORKING PAPER ON AN OUTLINE OF A POLITICAL SETTLEMENT

*Submitted by the Australian and United States Delegations at the 116th Meeting of the U. N. Committee of Good Offices on June 10, 1948.*

This paper offers suggestions for the principles of a political agreement between the Governments of the Kingdom of the Netherlands and the Government of the Republic of Indonesia which could provide the basis for the formation of a sovereign United States of Indonesia in equal partnership with the Kingdom of the Netherlands in a Netherlands-Indonesian Union. We believe that the principles as set forth below will safeguard and reconcile the proper and essential interests of both parties as these have been clarified in the current negotiations between their delegations.

We have come to the conclusion that the main issues between the parties involve the following :

- (1) The extent of the Republic's representation in the Provisional Federal Government, which will constitute the Government of Indonesia prior to the transfer of the sovereignty by the Kingdom of the Netherlands.
- (2) The powers to be transferred to the Provisional Federal Government (in the sense that this will be a government by Indonesian representatives) by the Kingdom of the Netherlands.
- (3) The powers to be transferred to the Provisional Federal Government by the Republic of Indonesia.
- (4) The powers and functions to be reserved to the Netherlands-Indonesian Union in the Statute of the Union as against these to be exercised by the United States of Indonesia as a member nation.

We believe that the parties' differing positions on these issues may be resolved in accordance with the letter and spirit of the principles accepted by the parties on board the USS Renville.

### OVERALL POLITICAL AGREEMENT

With regard to the problems pertaining to the interim period (the period prior to the transfer of sovereignty by the Netherlands), we are of the view that the key to a solution may be found in the second of the Six Additional Principles, which states that "in any provisional federal government created prior to the ratification of the constitution of the future United States of Indonesia, all States will be offered fair representation". This principle may be taken as grounds for maintaining that a provisional federal government cannot be created until the States have been delineated and formed.

We believe, however, that this principle need not be interpreted so as to delay the creation of a provisional federal government until the final delineation and formation of the component states of the United States of Indonesia. At the same time it is clear that the representation of the Republic, as one of the States in the future United States of Indonesia, must be based upon the extent of the Republic if such representation is to be fair; that is, proportional to the representation accorded the other areas. The present geographical extent of the Republic is defined solely by the location of the demilitarized zones, which were established purely as a means of making possible a military truce between the parties. The establishment of these zones, according to article 3 of the Truce Agreement, "in no way prejudices the rights, claims or positions of the parties under the resolutions of the Security Council of 1, 25 and 26 August

and 1 November 1947". In short, the area which the Republic properly represents is yet to be determined.

The area at present under the control of the Republic of Indonesia contains, according to the Committee's information, about two-fifths of the population of Indonesia. The islands of Java, Madura and Sumatra contain about four-fifths of the population of Indonesia. According to the fourth of the Six Additional Principles which, "among others form a basis for the negotiations toward a political settlement", accepted by the parties on board the USS Renville, the States of Java, Madura and Sumatra will be delineated in accordance with a plebiscite or with another method for ascertaining the will of the populations upon which the parties may agree. Should the populations of these islands so elect, all may be incorporated in the Republic. (In this connection, the Committee should point out that in its view nothing in the Renville principles precludes the Republic from subdividing into a number of States in the interests of a balanced Indonesian federation, and that this subdivision could be effected either on the basis of the territories it now controls or of the territories that it may come to control when the populations have had an opportunity to express their will in accordance with the fourth of the Six Additional Principles. In so far as an agreement with the Netherlands is concerned, we consider that the Government of the Republic represents all the territories of Java, Madura and Sumatra, the populations of which may, when the time comes, demonstrate through a democratic procedure their desire to be incorporated in the Republic, irrespective of whether these territories be ultimately be included in a single Republican State or be divided with the consent of the Republic into a number of States).

The fundamental question is whether it is possible to create a Provisional Federal Government in which all the States, including those which at the time of the formation of this government have not yet come into existence, may be fairly represented. We believe that there is a solution to this problem and propose that the following principles, which we believe contain such a solution, be accepted by the parties:

- (1) Upon the agreement of the parties to the following principles, the Netherlands Government to undertake as soon as possible to obtain the agreement of the representatives of the areas outside Java, Madura and Sumatra to the procedure envisaged in these principles in order that it may apply to the entire territory of the future United States of Indonesia.
- (2) Immediately upon the signing of the political agreement, the parties to set up a Joint Commission of Technical Experts which would have the task of studying the problem of the future administration of Indonesia from an objective, non-political point of view and of proposing the delineation of the future States, taking account of all relevant considerations but particularly the necessity for an efficient system of administration.
- (3) The Constituent Assembly (see below) to be empowered to delineate the states of the United States of Indonesia but to be bound to accept as states areas delineated as such by the Joint Commission of Technical Experts, unless a proposal for a change in any of the boundaries delineated by the Commission should receive the support of the majority of the delegates to the Constituent Assembly and of the majority of the delegates elected from the areas within the proposed States directly affected by the proposed change.
- (4) Elections to the Constituent Assembly to be held as soon as practicable after the signing of the political agreement but the Assembly not to be convened before the Joint Commission of Technical Experts has reported on the provisional delineation of States.

- (5) The provisions for free and uncoerced discussions of vital issues accepted by the parties on board the USS Renville to apply in the period preceding the election, and persons charged with abusing the freedom of speech, assembly and publication as assured under the Renville principles to be tried without delay.
- (6) The Regencies in Java and the equivalent administrative areas in other parts of Indonesia to constitute electoral districts for the Constituent Assembly. Where a Regency or equivalent area is divided by the *Status Quo Line*, the two portions to constitute separate electoral districts.
- (7) The number of delegates to the Constituent Assembly from each electoral district to be in proportion to the population of the district (perhaps one delegate for each 500,000 inhabitants).
- (8) An elector (or electors) to be elected by each *desa* and by the lowest administrative subdivision of each municipality within the Regency or equivalent administrative area. The electors so elected to convene at the seat of the Regency government (or other area) and there elect delegates to the Constituent Assembly.
- (9) Secrecy of the ballot to be assured at both stages at the primary level by a method of voting suitable to a partially illiterate electorate.
- (10) The Committee of Good Offices to place itself at the disposal of the parties for observation of the election in accordance with the fourth of the Six Additional Principles.
- (11) The Constituent Assembly to convene and to have the status both of a Constituent Assembly and of a Provisional Parliament.
- (12) The Provisional Parliament to form the Provisional Federal Government by electing a President, the President in turn to appoint a Prime Minister who will select a Cabinet. (The Parliament, however, to be free to form the Provisional Federal Government in any democratic manner it should desire). The Prime Minister and the Cabinet to be collectively responsible to the Provisional Parliament and to cease to hold office in the event of a vote of no confidence.
- (13) The Constituent Assembly to approve the delineation of States recommended by the Joint Commission of Technical Experts subject to any changes made in accordance with paragraph 3 above, the delegates in the Constituent Assembly from the electoral districts included within the boundaries of the States as delineated to be considered thereafter as the representatives of these States in the Constituent Assembly/Provisional Parliament. (The questions arises as to what would take place should a number of States be represented in the Assembly by the delegations of which the majority of members are adherents of the Republic. Obviously the delegations would have the option of voting to combine their states in a single Republic of Indonesia, which subject to the approval of the majority of the Assembly as a whole would as such become one of the component states of the United States of Indonesia. The Republic of Indonesia, in these circumstances, could be so enormous in population by comparison with the other States as to throw the federation out of balance and render it virtually unworkable and meaningless. Since the Government of the Republic has, however, subscribed to the principle of a federated Indonesia, we assume that it would not wish to vitiate, in this manner, the planning of the Joint Commission of Technical Experts and that, instead of combining, the States which have elected Republican adherents to represent them in

the Constituent Assembly would choose to consider themselves "Republican" States. However, with the progress towards a sovereign Indonesia as far advanced as it will be at this stage, it is anticipated that the concept of the Republic will have become merged with the concept of the United States of Indonesia).

- (14) The representatives of each State in the Provisional Parliament to elect provisional State governments to prepare for the election of duly constituted State governments.

We have the following observations to make in connection with these principles:

*Time of elections for the Constituent Assembly.*—The sixth of the Twelve principles "forming an agreed basis for the political discussions" accepted by the parties on board the Renville states that after a period of not less than six months or more than one year after the signing of the agreement, free elections will be held for self-determination by the people of their political relationship to the United States of Indonesia. There is a difference of opinion as to whether "the agreement" referred to is the political agreement or the truce agreement. Irrespective of which agreement was referred to, we believe that no obstacle exists in the Renville principles to the parties' agreeing to shorten the interval between the political agreement and the holding of the elections. It was not anticipated by the Committee, which originally suggested the limitation on the time of holding the election, that such a long period would elapse between the signing of the truce agreement and the signing of the political agreement as has been the case. Since full political and economic stability in Indonesia cannot be achieved until the process of transition now in progress is completed, we suggest that the elections be held no later than three months after the signing of the political agreement and that the Assembly be convened as shortly thereafter as possible, subject to the report of the Joint Commission of Technical Experts on the delineation of states having been made.

*Feasibility of elections.*—We are aware that the present division of Indonesia by the demilitarised zones, creating areas under separate authorities, civil and military, imposes certain obstacles to the smooth operation of election machinery. We regard these obstacles as by no means insuperable, however, and consider that between the present time and the time of the elections, the parties should devote their major effort toward the working out of an electoral procedure. This procedure should, in the first instance, give the candidates for election and the political parties in all areas full opportunity to present their programs and make their appeal for popular support without jeopardizing the maintenance of law and order, and in the second instance, assure the absolute secrecy of the ballot. By these and other means, the effect of possible unwarrantable influences over the electorate could be reduced to a minimum. We believe that no more constructive step toward the creation of a suitable United States of Indonesia could be taken by the parties than the acceptance of the principle of a representative Provisional Federal Government.

We do not see how the unification of Indonesia can now feasibly be accomplished except under such a government or how such a government can be created except through an Indonesia-wide election, whatever difficulties this may present. During our stay in Indonesia, we have come increasingly to believe that the outstanding obstacle to a settlement between the Netherlands and the Republic of Indonesia has been the disagreement between them as to who, in fact, is qualified to speak for the Indonesian people.

Until this question is settled and a representative body assembled—and we know of no means of reaching this goal except by an election—there would seem to be little hope of building the foundations of the future United States of Indonesia on a broad and stable basis. We should be glad to offer

suggestions on the subject of an electoral procedure, making use of the research at present being conducted in the United Nations.

*The pre-election period.*—After the signing of a political agreement looking toward the early creation of a representative Provisional Federal Government of all Indonesia, we conceive that the parties will have every incentive to closer cooperation. We therefore believe that in addition to preparing for the election the parties will also wish to proceed as far as possible, in the interval between the agreement and the election, with the economic rehabilitation of Indonesia as a whole and with preparations for the integration, administratively, of the territories now under the control of the Republic with the territories now under the control of the Netherlands, so far as this will be necessary upon the transfer of powers to the Provisional Federal Government. We foresee the desirability of creating a number of joint commissions to work on the problems of the pre-election period and suggest the following :

- (1) Joint Commission of Technical Experts to delineate the future States of Indonesia, as previously set forth.
- (2) Joint Electoral Commission to institute an electoral procedure and to control the conduct of electioneering and of the elections themselves.
- (3) Joint Reconstruction Board to expedite the restoration of non-Indonesian private properties in Republican-controlled territories to their owners and the resumption of trade and commerce with Republican-controlled territories.
- (4) Joint Preparatory Commission to plan the integration of the Republican fiscal and monetary systems and the administrative system of the territories at present controlled by the Republic (insofar as it includes federal functions) into the provisional federal system.
- (5) Joint Defence Commission, including a joint staff to carry out the progressive reduction of the armed forces of the parties as contemplated in the fourth of the Twelve Principles and to plan the integration of the Tentara Nasional Indonesia into the Army of the Provisional Federal Government.
- (6) Joint Evacuee Commission to facilitate the return to their homes of personnel displaced since 1942, including demobilized soldiers and their families and to make possible greater freedom of movement by persons across the *Status Quo Lines*.

We believe that as soon as the parties have agreed upon the broad terms of the political agreement it would be highly desirable to form the Commissions suggested above in order that study and planning in connection with the problems to be dealt with by the Commissions may proceed without awaiting the formal signing of the political agreement. In particular, the period intervening before the elections might be appreciably shortened by progress in planning by the joint Electoral Commission before the signing of the political agreement and in preparing the country for the election. During the pre-election period, the Republic would remain responsible for the security of areas under its control and retain command of the Tentara Nasional Indonesia. With regard to the Republic's foreign relations, the Republic would be expected to give assurances that these relations would not be expanded during the pre-election period.

*Division of powers in the pre-Federal period.*—We visualize a division of powers in the pre-Federal period between the Lieutenant Governor General, as the representative of the Crown, and the Provisional Federal Government, as an organisation of Indonesian representatives. We assume that in order to complete the transitional process and to create the United States of Indonesia as soon as practicable, the actual government and administration of Indonesia would be progressively turned over to Indonesian officials as rapidly as the development of an Indonesian organizational structure would permit. In the first instance, we believe that a delegation

of powers on the highest level should take place and that apart from certain specified powers reserved to the Lieutenant Governor General, the full powers of internal government should be vested in the Provisional Federal Government immediately upon its formation. The Provisional Federal Government would then itself determine how rapidly the Governmental and administrative functions could be transferred on progressively lower levels from the present governmental and administrative organization to the developing Indonesian organization. We consider that key officials of the present Netherlands Indies Government should by all means be asked to remain in an advisory capacity even when, in the course of time, their responsibilities have been taken over by officials designated by the newly elected Provisional Federal Government. Sovereignty in the interim period would rest with the Netherlands, but it is suggested that the Crown issue a certificate of instruction to the Lieutenant Governor General that the exercise of his power be limited (1) to a veto over acts of the Provisional Federal Government which are in contravention of the Charter of the United Nations or of the Union Statute and (2) to the direction, after consultation with the Provisional Federal Government, of the employment of the Federal armed forces and other Federal agencies in cases of civil conflict which the Provisional Federal Government proves unable to control.

Coincidentally with the transfer of full powers of internal government to the Provisional Federal Government by the Netherlands, the Republic would transfer to the Provisional Federal Government all federal functions which it now exercises, including control of its armed forces, foreign relations, foreign trade and currency.

With regard to the external affairs and relationships of Indonesia, ultimate authority would remain with the Kingdom of the Netherlands, but in practice the actual conduct of such affairs and relationships would be taken over by the Provisional Federal Government step by step with the organization and staffing of a Ministry of Foreign Affairs (the Minister to be a member of the initial Provisional Federal Government) and of an Indonesian diplomatic and consular service. It is proposed that such Indonesian overseas offices as already exist or may be established in this period should operate in conjunction with the diplomatic and consular posts of the Netherlands.

All armed forces in Indonesia in the pre-Federal period should, it is considered, be under the control of the Provisional Federal Government with the following exceptions: (1) The Netherlands command to operate such bases as may be set aside for the use of the Netherlands in an agreement between the Netherlands and the Provisional Federal Government of Indonesia, and, (2) components of the Netherlands army to be free to engage in non-tactical movements from one base to another or in preparation for evacuation under the sole authority of the Netherlands command.

Apart from its duties as a Provisional Parliament, the Constituent Assembly should have the duties of formalizing the delineation of the States, drafting and ratifying a Constitution for the United States of Indonesia and submitting it for ratification by the representatives of the states, and of ratifying the Union Statute. These tasks completed, the United States of Indonesia could, in our view, be considered formed and to be eligible to receive the transfer of sovereignty from the Netherlands and to seek recognition as a sovereign State by other States and membership in the United Nations and other international bodies.

The Committee offers the following comments on the foregoing procedures:

*Drafting of the Union Statute.*—It is our understanding that the Union Statute, out of which the Union of the Kingdom of the Netherlands and the United States of Indonesia is to arise, will provide the basis for the co-operation and consultation between the member nations on all



matters of common interest and will contain basic guarantees of the legitimate economic, cultural and military interests of the one nation in the other, together with provisions for a judicial body to interpret the Statute. Principles which both parties might find acceptable as the basis of the Statute are suggested below in the section headed *The Union Statute*. In any case, we feel strongly that in order to bring definitive Netherlands-Indonesian negotiations to as prompt a conclusion as possible, the complete and final text of the Union Statute should be incorporated in the political agreement between the Netherlands and the Republic, the Netherlands Delegation in this connection to represent the interests of Indonesian groups outside Java, Madura and Sumatra as well as of its own Government. The Statute as drafted in the political agreement would be submitted to the Constituent Assembly for ratification when the Assembly had completed its other tasks. Ratification and the transfer of sovereignty to the United States of Indonesia would be simultaneous events. Should the Assembly fail to ratify and express a desire to renegotiate the Statute in whole or in part, the Kingdom of the Netherlands would reserve all rights respecting the relinquishment of sovereignty.

*Ratification of the Constitution.*—In accordance with the fifth of the Six Additional Principles, approval of the draft Constitution by a majority of the delegates to the Constituent Assembly will register the Assembly's ratification of the Constitution. Since the representation of the States in the Assembly will be in accordance with their populations, such ratification may be taken as an expression of the will of the Indonesian people as a whole. With regard to obtaining ratification by the States, we suggest that the Constitution be submitted to the representatives of each State in the Assembly. In accordance with the sixth of the Six Additional Principles, any State failing to ratify the Constitution may negotiate a special relationship with the United States of Indonesia and the Kingdom of the Netherlands.

*Scope of the political agreement.*—Matters that fall entirely within the competence of the future United States of Indonesia, such as the federal Constitution and federal defence forces, are, in our view, outside the scope of the political agreement and are subjects for consideration and decision by the Constituent Assembly.

## THE STATUTE OF THE UNION

Upon the transfer of sovereignty to the United States of Indonesia in accordance with the terms of the political agreement, the Kingdom of the Netherlands and the United States of Indonesia will associate themselves together in a Netherlands-Indonesian Union.

¶ In our view, the character of the Union must be based upon:

- (1) The sovereignty of the member nations.
- (2) The common interests of the member nations and the proper and legitimate interests of the one in the other arising from many years of close association and interdependence.

In our opinion, the aim of the Statute of Union, out of which the Netherlands-Indonesian Union will arise, should be to give maximum assurance consonant with the full sovereignty of the member nations that the member nations will consult and co-operate and to the full extent possible follow a concrete policy in all fields of common interest and that the interests of one member nation in the other, which we construed to be primarily cultural, economic, and military, will be safeguarded.

The powers, functions, and responsibilities of the Union will be enunciated in a Statute of the Union annexed to and incorporated in the political agreement.

We offer the following tentative suggestions for the principal provisions of the Statute of the Union:

*A. General.*

1. The members of the Union will be the United States of Indonesia, on the one hand, and the Kingdom of the Netherlands, on the other hand.

2. Each Member will be a sovereign, independent State, united in partnership on a footing of equality. (Immediately after the transfer of sovereignty to the United States of Indonesia, the Kingdom of the Netherlands will take the required steps to obtain the admission of the United States of Indonesia as a member of the United Nations, the International Trade Organization, the International Monetary Fund, the International Bank for Reconstruction and Development, the Food and Agricultural Organization, and other appropriate international bodies.)

3. The Union will be established when on the one hand the Constituent Assembly of the United States of Indonesia has taken the steps under the political agreement precedent to the transfer of sovereignty, and when on the other hand the Kingdom of the Netherlands has (1) transferred sovereignty to the United States of Indonesia in accordance with the terms of the political agreement and (2) ratified the Statute of the Union.

4. Any State in Indonesia that decides by failing to ratify the Constitution not to join the United States of Indonesia may have a special relationship both to the Kingdom of the Netherlands and to the United States of Indonesia.

5. The Union will ensure: (a) lasting co-operation between the Members; (b) the mutual rights of the Members and the fulfilment of their mutual obligations; (c) provision for mutual assistance; (d) mutual exercise of rights of citizenship by Netherlands and Indonesian citizens; (e) maintenance in both parts of the Union of fundamental human rights and freedoms in accordance with the Charter of the United Nations.

6. The Union will promote the common interests of the Members through co-operation with regard to foreign relations, defence, finance and economic and cultural matters.

7. These common interests will be ensured by co-operation and consultation in the Union organs.

8. Her Majesty Queen Wilhelmina and her legitimate successors to the Crown of the Netherlands shall be the Head of the Union.

9. The executive organ of the Union will be the Council of Union Ministers composed of an equal number of Ministers of the United States of Indonesia and of the Kingdom of the Netherlands entrusted by their respective governments with the direction of Union affairs.

10. The members of the Council of Union Ministers are responsible only to their respective governments according to the Constitutions of the Members.

11. The Members of the Union will consult in the Council of Union Ministers with respect to legislation on Union affairs. Such legislation will be enacted by the Parliament of each Member in conformity with the constitution of each Member.

12. In their inception the Constitution of the United States of Indonesia and the Statute of the Union will not conflict. Thereafter the Constitution of the United States of Indonesia will be the supreme law of the United States of Indonesia and the Constitution of the Kingdom of the Netherlands will be supreme law of the Kingdom of the Netherlands. The Statute of the Union will have all the force of a solemn treaty obligation entered into by sovereign states.

13. The Members of the Union may conduct their own foreign relations: subject to the provisions of the Statute of the Union for co-operation and consultation. By the agreement of the Members of the Union in each case, the Union itself may take part in international affairs and maintain diplomatic representation on behalf of the Members.

14. A Union Court of Justice composed of an equal number of judges of the highest Court of the Kingdom of Netherlands and of the highest Court of the United States of Indonesia, will be instituted. The jurisdiction of the Union Court of Justice will be limited to cases brought by the Government of the Kingdom of the Netherlands or the Government of the United States of Indonesia arising under the Union Statute, provided that in all cases arising within the exclusive jurisdiction of the Members, the highest Courts of the Members may request the Union Court of Justice for an advisory opinion.

15. In cases where the judges of the Union Court of Justice are equally divided, the Court itself may designate an additional judge to cast the deciding vote; in the event of the Court's being unable to agree upon an additional judge, provision shall be made for reference of the case to the International Court of Justice or another international legal tribunal.

*B. Economic and Financial Provisions—*

1. *Non-discrimination.*—The principle of non-discrimination to apply in all economic relations between the United States of Indonesia and the Kingdom of the Netherlands.

2. *Equality of import duties.*—Articles or products of one Member imported into the territory of the other Member to be subject to no import duty in excess of the duty imposed with respect to like products or articles which are imported from any other country, or to no import duty at all if such duty is not imposed with respect to all such articles and products.

3. *Equality in internal taxes.*—Products of one Member imported into the territory of the other Member, or articles manufactured wholly or in part from such products, to be subject to no internal tax in excess of the internal taxes imposed with respect to like products or articles from any source; and to be subject to no internal tax at all if an internal tax is not imposed with respect to such like products and articles.

4. *Non-discriminatory import and export controls.*—To the extent that selective or quantitative import or export controls are applied by either Member, these to be applied in a non-discriminatory manner as regards the products or articles originating in or destined for the territories of the other Member.

5. *Equality of export taxes.*—To the extent that either Member levies export taxes or duties on articles or products destined for the territory of the other, such taxes or duties not to exceed those levied on like articles or products destined for the territory of another country.

6. *National treatment.*—National treatment to be accorded the citizens and enterprises of one Member resident in, conducting commercial, agricultural, mining industrial, or other business activities, in or seeking to conduct such activities in, the territory of the other. National treatment to be taken to mean that the legal status, rights and obligations under legislative acts and administrative regulations, and liability to taxation of citizens and enterprises of one Member in the territory of the other Member to be not less favourable than one accorded to the citizens and enterprises of the other Member. The right to require ownership of land is not, however, to be granted under this article.

7. *Supplementary agreements.*—Agreements elaborated under the foregoing clauses of this section to extend for a period of, say, 20 years and to be renewable by mutual agreement thereafter.

8. *Exemption from tax of articles for official use.*—No tax to be imposed or collected in the territories of either Member with respect to articles or products imported for the official use of any department or agency of the other Member.

9. *Currency and exchange agreements.*—The value of the currency of one Member in relation to the currency of the other Member not to be altered, the convertibility of the currency of one Member into the currency of the other not to be suspended, and restrictions not to be imposed upon the transfer of funds from the territory of one Member to the territory of the other, except after consultation between the Governments of the United States of Indonesia and the Kingdom of the Netherlands.

10. *Guarantees of Property Rights.*—Contractual rights and physical properties held or owned by the nationals, business enterprises, corporate bodies, or governments of one Member in the territory of the other to be guaranteed. The Government of the United States of Indonesia to honour for their full terms contracts and agreements entered into with non-Indonesians by the Government of the Netherlands East Indies prior to March 1942 and to restore to non-Indonesian owners physical assets located within the territory of the United States of Indonesia but not yet returned to them. In those cases in which contracts and agreements entered into by the Government of the Netherlands East Indies for any reason cannot be honoured or in which physical assets owned by non-Indonesians are taken over by the Government of the United States of Indonesia, full indemnification to be made. Nothing in the foregoing to protect the property rights of ex-enemy nationals.

11. *Assumption of obligations.*—The Government of the United States of Indonesia to assume all debts, internal and external, incurred by the Government of the Netherlands East Indies prior to March 1, 1942, subject, however, to the qualification that adjustments may be made to take account of territories previously under the jurisdiction of the Government of the Netherlands East Indies that may not join the United States of Indonesia. The proportion of debts later incurred by the Government of the Netherlands East Indies to be assumed by the Government of the United States of Indonesia to be negotiated.

12. *Transfer of rights and properties.*—The Government of the United States of Indonesia to enjoy the privileges and rights previously enjoyed by the Government of the Netherlands East Indies within the territories coming under the jurisdiction of the United States of Indonesia; and to assume full title to the property owned by the Netherlands East Indies Government within these territories and, subject to the terms of peace settlements, to the properties of ex-enemy countries and of the nationals of ex-enemy countries.

13. *Reciprocity.*—All rights, obligations, and duties conferred or assumed under the economic and financial agreement elaborated in accordance with these provisions to be reciprocal.

### C. *Military.*

1. A combined Netherlands-United States of Indonesia staff to be instituted to exchange information, to consult and to make recommendations to the Governments of the Members on all matters relating to the defence of the Union with the object of achieving a co-ordinated defence policy and system.

2. Each member to be granted base-rights in the territory of the other on a basis of long-term leases.

3. The military education and training, equipment, organization and doctrine of the armed services to be standardized as far as may be allowed by (a) the nature of the theatres of operation in which the Members' forces may be engaged, (b) the sources of supply of equipment available to the

Members, (c) the possibility of a severance of the lines of communication between the members in the event of large-scale conflict, and (d) the requirements of such regional defence arrangements as the Members may enter.

4. Military personnel to be exchanged between the Members for the purpose of assisting in the attainment of the foregoing ends, particularly for purposes of giving and receiving instruction. Military personnel assigned by one Member for duty with the armed services of the other to be eligible to serve in any capacity other than in a command capacity, which would require special agreement.

It is suggested that provision be made in the Statute of the Union for supplementary agreements to be entered into by the Members elucidating and providing for the implementation of the principles contained in the Statute which relate to economic, military, and other special relations between the Members.

\* \* \* \* \*

To recapitulate, the following schedule is offered as an outline of the steps to be taken toward the creation of a sovereign United States of Indonesia :—

1. The delegations of the parties to initial the terms of the political agreement, including the text of the Statute of the Union.

2. Joint Commissions to be formed as soon as possible to delineate provisionally the future states of the United States of Indonesia; to prepare for the elections to the Constituent Assembly; to prepare for the integration on a federal level of the government of territories under the control of the Republic with the governments of other areas; to plan the economic rehabilitation of Indonesia as a whole; to carry out the reduction of the armed forces of the parties and to plan the integration of the residual Republican armed forces with those of the Provisional Federal Government; and to remove barriers to the free movement of persons across the *Status Quo Linc*.

3. The political agreement including the text of the Statute of the Union, to be submitted to the Governments of the parties for approval and signature.

4. The elections for delegates to the Constituent Assembly to be held throughout Indonesia as soon as practicable after the signing of the political agreement, and preferably within at most three months.

5. The Constituent Assembly to be convened as soon as possible after the elections and after the Joint Commission of Technical Experts has reported on the delineation of the future states.

6. The Constituent Assembly acting as the Provisional Parliament to form a Provisional Federal Government.

7. The Provisional Federal Government to receive simultaneously :—

(a) full powers of internal self-government from the Netherlands with the provision that the Lieut. Governor General may exercise certain rights within specified limits.

(b) All powers now exercised by the Republic of Indonesia properly pertaining to the Federal Government.

8. The Constituent Assembly to draft and ratify a Constitution of the United States of Indonesia.

9. The Constitution to be submitted to the representatives of the States in the Assembly for ratification and to be considered in effect for all Indonesia with the exception of States failing to ratify.

10. The Constituent Assembly to ratify the Statute of the Union, and simultaneously :—

(a) The United States of Indonesia to be considered formed and to receive the transfer of sovereignty from the Kingdom of the Netherlands.

- (b) The United States of Indonesia to be considered eligible to seek recognition as a sovereign State by other sovereign States and membership in the United Nations and other international bodies.
- (c) The Kingdom of the Netherlands having ratified the Statute of the Union, the Netherlands-Indonesian Union to come into being.

### ‘COCHRAN PLAN’

*“U. S. Draft Agreement for overall Political Settlement”,  
dated September 10, 1948*

An agreement between the Kingdom of the Netherlands and the Government of the Republic of Indonesia;

In order to cooperate toward the early creation of a sovereign democratic State on a federal basis, to be named the United States of Indonesia, of which the territories controlled by the Republic shall be part, in accordance with their pledges in the twelve principles and the six additional principles, accepted by the Netherlands and Republican delegations on board the USS Renville on January 17, 1948; and

In order to set up a structure by which the Kingdom of Netherlands and the USI will collaborate in a lasting union based on mutual understanding, trust and sympathy to the common advantage of the two peoples; and

Whereas sovereignty over Indonesia now remains with the Kingdom of the Netherlands, and

Whereas the transfer of sovereignty over Indonesia to the USI, desired by both parties, cannot take place until, in an interim period providing opportunity for free and uncoerced formulation and expression of public opinion, the following have been fulfilled;

*Paragraph 1.*—The delineation of the member States of the future USI by decisions of the population of Indonesia and the determination through democratic procedures insuring the free consent of those concerned, of the ways in which the population of any particular part of Indonesia may wish to regulate its relationship to the said USI and to the Kingdom of the Netherlands;

*Paragraph 2.*—A Constitution drafted and ratified for the U.S.I. by a democratically elected constitutional assembly, and thereafter ratified.

*Paragraph 3.*—A statute drafted and ratified for the Netherlands-Indonesian Union, to be formed simultaneously with the establishment of the U.S.I. in accordance with the twelfth principle of the Renville Agreement;

*Paragraph 4.*—An agreement or agreements concluded which will define the relationship of the two partners of the future Netherlands-Indonesian Union insofar as financial, economic and defence matters are concerned; and

Whereas the Government of the Kingdom of the Netherlands for its part, is prepared to promote the institution by law of the Provisional Federal Government contemplated in the six additional principles of the Renville Agreements and to confer extensive powers upon the said government in which all participating territories will receive fair representation; and

Whereas the Government of the Republic, for its part, is prepared to transfer certain powers enumerated in the present agreement to the said Provisional Federal Government and to join therein;

Declare that, to achieve the objectives set forth above, they agree as follows :

## CHAPTER 1. THE PROVISIONAL FEDERAL GOVERNMENT

### Article 1

The Provisional Federal Government, described in the present agreement shall come into being by proclamation of the High Commissioner on the first convenient day of February 1949, after : (a) the members of a federal representative assembly have been elected; (b) the necessary legal steps for the implementation thereof have been taken by the two parties, including the enactment by the Government of Netherlands of such legislation as may be necessary to adapt the structure and functioning of the existing administration in Indonesia, as outlined in Annex 1, to the requirements of the present agreement.

### Article 2

The organs of the Provisional Federal Government shall be : (1) The High Commissioner; (2) The Prime Minister and Cabinet; (3) The Federal Council; (4) The Federal Representative Assembly.

### Article 3

*Paragraph 1.*—The jurisdiction of the Provisional Federal Government shall extend to all the territories of the NEI, including the territories both of those States which will be members of the future USI and of those which may decide, in accordance with Article 37, not to become members thereof.

*Paragraph 2.*—The Provisional Federal Government, through its appropriate organs as their respective powers and functions are delimited by the present agreement, shall have full authority to govern the territories described in paragraph 1 of this article, subject to the limitations hereinafter set forth and subject further to the continued existence of individual States as members of a federal government.

*Paragraph 3.*—The jurisdiction of the Provisional Federal Government within the territories described in Paragraph 1 of this article shall include : (a) the exercise of all powers granted in the present agreement; (b) the control of foreign relations, of foreign trade and inter-State commerce, of currency, of the armed forces; (c) all other measures affecting the welfare of Indonesia as a whole or its relationship to the Government of the Netherlands; (d) all legislation or other governmental acts necessary for the effective exercise of the foregoing powers.

*Paragraph 4.*—All laws of the Provisional Federal Government shall, as far as possible, be uniform in application throughout the territories subject to the jurisdiction thereof.

*Paragraph 5.*—In case of conflict between laws of the Provisional Federal Government and those of a State, a member thereof, the Federal laws shall control.

### Article 4

*Paragraph 1.*—On the day of the inauguration of the Provisional Federal Government, the Republic shall transfer thereto the control of foreign relations, of foreign trade and inter-State commerce, of currency, of the armed forces and all other powers of the Provisional Federal Government heretofore exercised by the Republic.

*Paragraph 2.*—The laws of the Republic dealing with such subjects shall become invalid accordingly except as otherwise provided in the present agreement.

*Paragraph 3.*—On its entry into the Provisional Federal Government, the Republic shall appoint to the Federal Council a number of representatives which shall be equal to one-half of the total membership of the Federal Council exclusive of the Republic's membership; that is to say 33-1/3 per cent. of the total final membership. The Government of each other member state and the administrative board of each participating territory shall name one representative to the Federal Council.

#### Article 5

*Paragraph 1.*—The inauguration of the Provisional Federal Government shall not invalidate the body of laws in effect at that time, except as otherwise provided in Article 4 of the present agreement.

*Paragraph 2.*—Neither the Federal Representative Assembly or any other organ or agency of the Provisional Federal Government shall make or enforce any law or regulation which violates human rights and fundamental freedoms or which is discriminatory with respect to race, sex, language or religion.

#### Article 6

The power of the High Commissioner to issue decrees having the effect of laws, as distinguished from the ordinance making power to effectuate by appropriate regulations existing laws, shall end on the day of the inauguration of the Provisional Federal Government.

#### Article 7

Until the inauguration of the Provisional Federal Government, each party shall continue to exercise its existing jurisdiction over the territories under its control as set forth in the Truce Agreement signed by them on January 17, 1948.

### CHAPTER 2. ELECTIONS FOR THE FEDERAL REPRESENTATIVE ASSEMBLY

#### Article 8

Elections for the choice of the Federal Representative Assembly shall be held and completed during the month of January, 1949.

#### Article 9

*Paragraph 1.*—Each *dessa*, or the lowest administrative subdivision of a municipality, shall constitute a primary electoral unit.

*Paragraph 2.*—Each regency, or equivalent administrative unit, shall constitute a secondary electoral unit. Where a regency, or equivalent administrative unit, is divided by the *status quo line* referred to in Article 1 of the Truce Agreement signed on January 17, 1948, each of the parts thereof shall constitute a secondary electoral unit.

*Paragraph 3.*—Each secondary electoral unit shall be given a quota of representation in the Federal Representative Assembly based on the ratio of one representative for every 500,000 people or fraction over fifty per cent. thereof. Each secondary electoral unit shall have a quota of at least one representative.

#### Article 10

*Paragraph 1.*—The voters of each primary electoral unit shall choose an elector. The method of voting employed in the choice of electors shall be one suitable for a partially illiterate electorate.

*Paragraph 2.*—All of the electors for the primary electoral units which constitute a secondary electoral unit shall meet in an electoral assembly of such secondary unit.



*Paragraph 3.*—The electoral assembly of each secondary unit shall elect by secret ballot as many representatives to the Federal Representative Assembly as its quota requires.

#### **Article 11**

The parties agree to undertake, each within the territory subject to its control, to guarantee freedom of assembly, speech and publication in accordance with the conditions of the Twelve Principles of the Renville Agreements, so that there can be full opportunity for the free and uncoerced discussion of issues and candidates.

#### **Article 12**

*Paragraph 1.*—*Dessas* of representation referred to in Article 9 and the details of electoral procedure shall be determined by a joint board of electoral experts which shall be composed of representatives of the two parties and which shall be established immediately upon the signing of the present agreement.

*Paragraph 2.*—The Government of the Netherlands, in naming its representatives on the said board, shall utilize as soon as possible, the organs of the existing administration for Indonesia so as to take into account the special views of the several parts of Indonesia.

### CHAPTER 3. POWERS OF THE FEDERAL REPRESENTATIVE ASSEMBLY

#### **Article 13**

*Paragraph 1.*—The Federal Representative Assembly shall exercise the functions both of a provisional legislature and of the constitutional assembly referred to in the preamble of this agreement and envisaged in the six additional principles of the Renville Agreements.

*Paragraph 2.*—In addition to the functions mentioned in Paragraph 1 of this Article, the Federal Representative Assembly shall:

- (A) negotiate with the appropriate representatives of the Government of the Kingdom of Netherlands a Union Statute and shall ratify such Statute; and
- (B) negotiate with the appropriate representatives of the Government of the Kingdom of the Netherlands an agreement or agreements which will define the relationship of the two partners of the future Netherlands-Indonesian Union insofar as financial, economic and defence matters are concerned and shall ratify such agreement or agreements.

#### **Article 14**

*Paragraph 1.*—In the exercise of its function as a provisional legislature, the Federal Representative Assembly shall have power to make and repeal laws regarding all matters within the competence of the Provisional Federal Government subject to the power of the High Commissioner, in certain cases, to deny assent as described in Paragraph 2 of this Article

*Paragraph 2.*—Bills passed by the Federal Representative Assembly shall become law when they receive the assent of the High Commissioner as evinced by his signature. His assent will be conclusively presumed if he takes no action within ten days. He may, however, within such ten-day period, by formal statement, refuse his assent to any bill which is in violation with any of the terms of the present agreement.

#### **Article 15**

In the exercise of its functions as a constitutional assembly, the Federal Representative Assembly shall:—

- (A) effect the final delineation of states in the USI; and

- (B) draft a Constitution for the U.S.I. and submit it for ratification to the representatives of the several States and territories in such manner as the Federal Representative Assembly may determine.

#### **Article 16**

*Paragraph 1.*—Recommendations regarding the boundaries of States to comprise the future U.S.I. shall be made to the Federal Representative Assembly by a joint board of experts on the delineation of States which shall be composed of representatives of the two parties and which shall be established immediately upon the signing of this agreement.

*Paragraph 2.*—The Government of the Netherlands, in naming its representatives on the said board, shall utilize, so far as possible, the organs of the existing administration for Indonesia so as to take into account the special views of the several parts of Indonesia.

#### **Article 17**

*Paragraph 1.*—In effecting the final delineation of the States of the U.S.I., the Federal Representative Assembly shall be bound to accept the recommendations of the joint board on delineation of States mentioned in Article 16 unless any proposal for change in the boundaries recommended by the joint board shall be approved both by a majority of the representatives of the Federal Representative Assembly and by a majority of the representatives in the Federal Representative Assembly of the secondary electoral units directly affected by such change voting together as a special group.

*Paragraph 2.*—If the joint board on the delineation of States, as a result either of inability of its members to agree, or for any other reason, should fail to make a positive recommendation with regard to the delineation of State boundaries in a given area or areas, the Federal Representative Assembly shall act independently, but in any such case, the delineation of the boundary in question must be approved both by a majority of the members of the Assembly as a whole and by a majority of the representatives of the secondary electoral units directly affected by such delineation voting as a special group.

*Paragraph 3.*—If the Federal Representative Assembly is unable to reach agreement on the boundary of any area in the manner indicated in Paragraphs 1 and 2 of this Article, the final decision thereon shall be made by majority vote of the Federal Council.

#### **Article 18**

Any action taken by the Federal Representative Assembly pursuant to the powers vested in it under Paragraph 2 of Article 13 and under Article 15 shall be effective without the assent of the High Commissioner, actual or presumed.

### **CHAPTER 4. THE EXECUTIVE ORDER**

#### **Article 19**

The High Commissioner of the Crown shall be named by the Government of the Kingdom of the Netherlands.

#### **Article 20**

*Paragraph 1.*—The Federal Representative Assembly shall elect a President who shall name a Prime Minister.

*Paragraph 2.*—The Prime Minister shall name the principal officers who will comprise the Cabinet.

*Paragraph 3.*—Heads of department may be members of the Cabinet in the discretion of the Prime Minister.

*Paragraph 4.*—The Prime Minister and Cabinet shall be responsible to the Federal Representative Assembly and shall remain in office only so long as they continue to enjoy the confidence of a majority of the members of the said Assembly.

#### **Article 21**

*Paragraph 1.*—At the time of the inauguration of the Provisional Federal Government, all executive and administrative authority therein shall be vested in the High Commissioner.

*Paragraph 2.*—The High Commissioner shall begin immediately after the inauguration of the Provisional Federal Government to transfer progressively, by a series of administrative regulations, the actual conduct of the several parts of the administration to appropriate parts of the Provisional Federal Government under the President and the Prime Minister.

*Paragraph 3.*—The assent of the High Commissioner to all administrative acts and regulations of the Cabinet, or of heads of departments responsible to the said Prime Minister and Cabinet, within areas of administration over which the said High Commissioner has already transferred authority, shall be conclusively presumed, except where he may expressly refuse or withdraw such assent in the case of acts falling into one purview of paragraph 2 of Article 14, namely, those in violation of the present agreement.

#### **Article 22**

*Paragraph 1.*—In the event that the Provisional Federal Government or any State thereof, shall be unable to maintain domestic order or to give effective protection to person and property against unlawful violence arising from civil conflict in any area or areas, the High Commissioner may, after consultation with the Cabinet and with the assent either of the President or of the Prime Minister, declare a state of emergency in said area or areas. He shall immediately transmit a full statement of his reasons for such action to the Federal Representative Assembly. He may then assume direction of the Federal armed forces and all other authority of the State, by whatever organs normally exercised, other provisions of law notwithstanding, and shall take such action as may be necessary for restoration of the public peace.

*Paragraph 2.*—In the event that the Federal Representative Assembly should fail to appropriate funds for, or otherwise neglect to provide for the legal obligations of the Provisional Federal Government and the maintenance of essential governmental functions and services, the High Commissioner, after consultation with the Prime Minister and Cabinet and after notice to the Federal Representative Assembly, may take such measures as are necessary for the maintenance of the public credit and effective functioning of the said Government. If funds are not otherwise available, he shall have the power to pledge the credit of the Provisional Federal Government and to collect revenues by taxation, only to the extent strictly necessary for the performance of the obligations set forth in this paragraph.

### **CHAPTER 5. ARMED FORCES**

#### **Article 23**

*Paragraph 1.*—All armed forces within the territory subject to the jurisdiction of the Provisional Federal Government shall be under the control of the said Government except for the Royal Netherlands Navy, the Royal Netherlands Army and the Royal Netherlands Indies Army Forces.

*Paragraph 2.*—The armed forces under the control of the Provisional Federal Government shall include the Federal armed forces and the organized militia of any State which may be made available for Federal purposes in accordance with Article 27.

#### **Article 24**

In recruiting the Federal armed forces, preference shall be given to Indonesian personnel who have received military training and are present members of the Royal N.E.I. Army Forces or the Tentara Nasional Indonesia.

#### **Article 25**

Detailed recommendations regarding the organization, composition and training of the Federal armed forces shall be made to the High Commissioner and to the Cabinet by a joint board of military experts which shall be composed of representatives of the two parties and which shall be established immediately upon the signing of the present agreement.

#### **Article 26**

The Government of the Netherlands agrees to make available commissioned and non-commissioned officers of its forces to assist in the training of the Federal armed forces.

#### **Article 27**

*Paragraph 1.*—Any State, a member of the Provisional Federal Government, may maintain at its individual expense an organized militia which shall be immediately subject to the orders of that State.

*Paragraph 2.*—The Federal Council shall regulate, with the express assent of the High Commissioner, the maximum size of the organized militia of any State and the conditions under which the said militia may be made available to the Provisional Federal Government at Federal expense.

*Paragraph 3.*—The High Commissioner, under the powers vested in him by Article 22, may call the organized militia of any State into Federal service at Federal expense during a state of emergency.

#### **Article 28**

*Paragraph 1.*—The Netherlands Command may operate such bases as may be set aside for the use of the Government of the Netherlands under the provisions of the agreement or agreements envisaged in paragraph 2 subparagraph B of Article 13.

*Paragraph 2.*—Until the agreement mentioned in the preceding paragraph of this Article has been concluded and ratified, the Netherlands Command may continue, during the interim period, to maintain bases held and in operative status at the time of the signing of the present agreement. Components of the Netherlands forces shall be free to engage in non-tactical movements from one base to another or in preparation for evacuation under the sole authority of the Netherlands Command.

### CHAPTER 6. FOREIGN AFFAIRS

#### **Article 29**

The Republic undertakes not to increase its representation abroad during the period before inauguration of the Provisional Federal Government.

#### **Article 30**

When the Provisional Federal Government comes into being, the Republic shall transfer to such Government its powers over foreign affairs and such foreign establishments as it has maintained.

**Article 31**

Decisions involving foreign affairs, Indonesian representation abroad and the representation of foreign governments within Indonesia shall be taken by the Provisional Federal Government with the express assent of the High Commissioner.

**Article 32**

The High Commissioner shall progressively entrust the preparations for an independent foreign service for the U.S.I. and the general conduct of foreign affairs to a Secretary of State for Foreign Affairs.

**Article 33**

During the period before the creation of the U.S.I., the foreign service establishments of the Provisional Federal Government shall function as part of, or in conjunction with the foreign service establishments of the Kingdom of the Netherlands.

## CHAPTER 7. TRANSITIONAL ARRANGEMENTS

**Article 34**

The parties to the present agreement agree to adhere to all the provisions of the truce agreement signed by them on January 17, 1948, until upon the incorporation of the Republic into the Provisional Federal Government, the provisions of said agreement shall no longer have effect.

**Article 35**

*Paragraph 1.*—In accordance with the third of the six additional principles of the Renville Agreements, the Government of the Kingdom of the Netherlands agrees to request the Security Council of the U.N. that, until the inauguration of the Provisional Federal Government, the services of the Good Offices Committee and its military assistants be continued for the purposes set forth in this article.

*Paragraph 2.*—If the foregoing request is granted, the parties agree that: (a) should any question arise regarding the interpretation of the present agreement which cannot be settled by direct talks between the appropriate officials of the two Governments, they will request the G.O.C. to assist them in arriving at a common interpretation; (b) they will request the services of the G.O.C. and its military assistants to observe the elections contemplated in Article 8 of the present agreements; (c) they will request the services of the G.O.C. and its military assistants to continue to assist them to implement the Truce Agreement signed on January 17, 1948 so long as that agreement remains in effect.

## CHAPTER 8. THE TRANSFER OF SOVEREIGNTY

**Article 36**

The Kingdom of the Netherlands shall transfer sovereignty to the U.S.I. on July 3, 1949 subject only to the performance of three conditions precedent thereto as follows:—

- A. The ratification of a Constitution for the said U.S.I. by the representatives of the States which will become members thereof.
- B. The acceptance by the Federal Representative Assembly, in accordance with Paragraph 2A of Article 13 of the present agreement, of a Union Statute providing a structure for the continued association of the said U.S.I. with the Kingdom of the Netherlands, based upon the principles set forth in Annex 2 to the present agreement, which is hereby incorporated as a part thereof. The obligations imposed by the Union Statute on the U.S.I. shall become operative concurrently with the transfer of sovereignty thereto.

- C. The conclusion of an agreement or agreements, based upon the principles set forth in Annex Three to the present agreement, which shall define the relationship of the Kingdom of the Netherlands and the U.S.I. in so far as financial, economic and defence matters are concerned, in accordance with Paragraph 2B of Part 13 of the present agreement. The obligations arising from such agreement or agreements shall become binding on the U.S.I. concurrently with the transfer of sovereignty thereto.

#### **Article 37**

Any State or territory which fails to ratify the Constitution of the U.S.I. and to become a member thereof may negotiate special relationships with the said U.S.I. and with the Kingdom of the Netherlands in accordance with the sixth of the six additional principles of the Renville Agreements.

### CHAPTER 9. MISCELLANEOUS PROVISIONS

#### **Article 38**

*Paragraph 1.*—The Dutch, Indonesian and English texts of the present agreement shall all be official.

*Paragraph 2.*—The Dutch and the Indonesian texts of the present agreement shall have equal authority.

*Paragraph 3.*—In case of discrepancy between the Dutch and the Indonesian texts, the English text shall be determining.

#### **Article 39**

The effective date of the present agreement shall be the date on which the Chairman of the G.O.C. shall receive letters of acceptance from the appropriate authorities of both parties.

##### *Annex 1.*

Annex One will contain a summary of the general principles of a Draft Act on administrative regulations for Indonesia in the interim period and, if required, a summary of any separate or additional legislation which it may be necessary to submit to the Netherlands States General to adapt the structure and functioning of the existing administration in Indonesia to the requirements of the present agreement.

##### *Annex 2.*

The following provisions shall be incorporated in the Statute of the Netherlands-Indonesian union.

*One.*—The members of the Union shall be the Kingdom of the Netherlands and the U.S.I. Provisions shall be made for the future admission of other members.

*Two.*—Each member shall be a sovereign, independent self-governing State, united in partnership on a basis of equality.

*Three.*—The King of the Netherlands shall be the Head of the Union.

*Four.*—The Statute shall make provision for the mutual rights and obligations of the members and for mutual assistance between them.

*Five.*—The Union shall provide machinery for co-operation with regard to foreign relations, defence, finance, economic and cultural matters.

*Six.*—The executive organ of the Union shall be the Council of Union Ministers composed of an equal number of Ministers of the U.S.I. and of the Kingdom of the Netherlands entrusted by

their respective Governments with the direction of Union affairs. The members of the Council of Union Ministers shall be responsible only to their respective Governments in accordance with the Constitutions of the members.

*Seven.*—The judicial organ of the Union shall be a Union Court of Justice composed of an equal number of judges of the highest court of each of the members of the Union.

*Eight.*—The members of the Union shall consult in the Council of Union Ministers with respect to legislation on Union affairs. Such legislation as may be agreed upon shall be enacted by the Parliament of each member in conformity with the Constitution of such member.

*Nine.*—In their inception the Constitution of the U.S.I. and the Statute of the Union shall not conflict. Thereafter, the Constitution of the United States of Indonesia shall be the supreme law of the U.S.I. and the Constitution of the Kingdom of the Netherlands shall be the supreme law of the Kingdom of the Netherlands.

*Ten.*—The members of the Union shall conduct their own foreign relations subject to such co-operation and consultation between said members as may be called for in the Statute of the Union. By agreement of the members of the Union in each case, the Union itself may take part in international affairs and maintain diplomatic representation on behalf of the members.

### *Annex 3.*

A. The following principles shall be incorporated in an agreement on mutual defence to be negotiated between the Netherlands and the Federal Representative Assembly:—

*One.*—A combined Netherlands U.S.I. Staff shall be organized to exchange information to consult and to make recommendations to the governments of the members on all matters relating to the defence of the union with the object of achieving a co-ordinated defence policy and system

*Two.*—Each member shall be granted base-rights in the territory of the other by long-term leases.

*Three.*—The military education and training, equipment and organization of the armed services of the members shall be standardized so far as may be allowed by (a) the nature of the theatres of operation in which the member forces may be engaged; (b) the sources of supply of equipment available to the members; (c) the possibility of a severance of the lines of communication between members in the event of large-scale conflict; and (d) the requirements of regional defence arrangements into which the members may enter.

*Four.*—Military personnel shall be exchanged between the members for the purpose of assisting in the attainment of the foregoing ends. Military personnel so assigned are eligible to serve in any capacity other than in a command capacity, which shall require special agreement.

B. The following principles shall be incorporated in an agreement on financial and economic matters to be negotiated between the Netherlands and the Federal Representative Assembly:—

*One.*—Products of the territory of one member of the Union imported into the territory of the other member shall be exempt from customs duties and import charges of any kind in excess of those applied to like products imported from any other country.

- Two.*—Products of the territory of one member exported to the territory of the other member shall be exempt from export taxes or duties in excess of those applied to like products exported to any other country.
- Three* —Products originating in or consigned to the territory of one member shall not be subjected by the other member to selective or quantitative import or export controls less favourable than those applied to like products originating in or consigned to the territory of any other country.
- Four.*—Products of the territory of one member, or articles manufactured wholly or in part from such products, imported into the territory of the other member shall be exempt from internal taxes and other internal charges of any kind in excess of those applied directly or indirectly to like products of national origin.
- Five.*—Nationals of one member, whether natural persons or corporate bodies, present within or carrying on business in the territory of the other member, shall be accorded by such other member legal status, and rights and obligations, including liability to taxation, no less favourable than those accorded to its own nationals. The right to acquire ownership of land need not, however, be granted under this principle.
- Six* - -No tax or import duty shall be imposed or collected in the territory of one member on articles or products imported for the official use of any governmental department or agency of the other member.
- Seven.*—All the territories subject to the jurisdiction of the U.S.I. shall be considered as a unit within which there shall be uniform application of constitutional and legislative regulations governing currency, trade policy, foreign exchange, customs, economic policy as regards the supply of good, and price control as may be warranted by circumstances. Similarly, the Government of the Netherlands shall maintain the unity already in its territories with reference to the foregoing subjects.
- Eight.*—Each member of the union shall organize and maintain sound currency system on the basis of the principles expressed in the Bretton Woods agreements, requiring, *inter alia*, that only one Central Bank issue shall be authorized to operate throughout its territory, the notes of which banks shall be legal tender up to any amount.
- Nine.*—The U.S.I. shall recognize the Netherlands Indies guilder as its general monetary unit or, in the alternative, establish a general monetary unit possessing the same value as the N.E.I. guilder at the time of initial issuance, so that monetary claims and existing debts expressed in terms of N.E.I. guilders shall be convertible automatically and at par into the aforementioned monetary unit.
- Ten.*—The value of the currency of one member in relation to the currency of the other member shall not be altered, nor shall the convertibility of the currency of one member into the currency of the other be suspended, nor restrictions imposed upon the transfer of funds from the territory of one member to the territory of the other, except by agreement between the two members of the Union.
- Eleven.*—Each member shall give effective protection, within the territories subject to its jurisdiction, to contractual rights and to rights of ownership of physical property possessed by



the nationals, both natural persons or corporate bodies, of the other member, or by the government of such other member. This provision shall not be construed as modifying the obligation of either member to protect the like rights of the nations and the governments of foreign States.

*Twelve.*—The Government of the U.S.I. shall honour for their full terms contracts and agreements entered into with non-Indonesians by the Government of the N.E.I. prior to the inauguration of the said U.S.I. and shall restore to non-Indonesian owners physical assets located within the territory of the U.S.I. which have not yet been returned to such owners.

*Thirteen.*—The Government of the U.S.I. shall assume all debts, internal and external, incurred by the Government of the N.E.I. prior to March 1, 1942, subject however, to the qualification that adjustments may be made to take account of territories previously under the jurisdiction of the Government of the N.E.I. that may not join the U.S.I. The proportion of debts incurred on or after March 1, 1942 by the Government of the N.E.I. to be assumed by the Government of the U.S.I. shall be the subject of negotiation between the members of the Union.

*Fourteen* —At the time of the transfer of sovereignty, the Government of the U.S.I. shall assume full title to the property owned by the Government of the N.E.I. within the territories subject to the jurisdiction of the U.S.I. and, subject to the terms of the peace settlements, to the property, within such territories, of the nationals and the Governments of ex-enemy States.

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**Report of the Republican Delegation to the Committee of Good Offices on the informal conversations held between the Vice-President of the Republic of Indonesia and Ministers of the Government of the Netherlands, dated December 9, 1948.**

Following the agreement of both parties to accept proposals submitted on September 10th by the United States representative on the Good Offices Committee as a basis for the resumption of formal negotiations the Republican Government requested an immediate resumption of formal negotiations under the auspices of the Good Offices Committee. The Netherlands Government however laid special emphasis upon informal direct talks to ascertain whether the Republican Government was prepared to make sufficient concessions towards the Netherlands view and make a settlement possible.

Through the good offices of the United States representative, a meeting was arranged in Kaliurang between the Netherlands Minister for Foreign Affairs (Mr. Stikker) and the Vice-President of the Republic (Dr. Mohammad Hatta) with a view to considering the differences between the standpoints of the Government of the Netherlands Kingdom and the Government of the Republic of Indonesia in regard to the matters under discussion between their Delegations, and to consider in how far the two standpoints could be brought together. The conversations were to be of a tentative character, and it was hoped that the results would facilitate the formal negotiations to be held by the two Delegations.

The conversations opened on November 4th, 1948, when Minister Stikker accompanied by his advisers came to Kaliurang. The main subjects of the conversations were:

- (a) The Interim Government and the date of transfer of Sovereignty by the Netherlands Kingdom to the United States of Indonesia.

- (b) The status of the High Representative of the Netherlands Government in Indonesia during the interim period.
- (c) The status of the army.
- (d) The foreign relations of Indonesia in the interim period.
- (e) Violations of the Truce Agreement.

The conversations soon proved that a primary difficulty was the difference of opinion regarding the formation of the Interim Government. The Government of the Republic of Indonesia took the position that the Interim Government should be formed as envisaged in the Critchley-DuBois plan and the Cochran plan, namely that it should be preceded by elections to a Constituent Assembly which would also act as a Provisional Parliament and be responsible for the formation of an interim government. The Netherlands Delegation objected that for the time being elections were difficult to hold because of conditions of insecurity in various areas. The delegation therefore considered that precedence should be given to the selection of an Interim Government which would uphold security and that elections to a Constituent Assembly should only be held after security could be safeguarded.

According to the Netherlands representatives, the Netherlands Government did not object to elections to a Constituent Assembly but could only agree to them after the establishment of an Interim Government. On the other hand, the Government of the Republic maintains that elections would provide a guarantee for the establishment of order and security and considers that the political unrest observed everywhere at present has been caused by the failure of the parties to agree to the holding of plebiscites as provided for in the Renville Agreement. This unrest has mounted since the suspension of negotiations at the end of May 1948, and is stimulated by the absence of any guarantee that formal negotiations will be speedily resumed. In the meantime January 1, 1949, regarded as the target date for the transfer of sovereignty to the United States of Indonesia is drawing near. For this reason elections to a Constituent Assembly are considered by the Government of the Republic as the only way to remove unrest and to provide a basis for an equitable solution of the Indonesian dispute. An Interim Government formed on the foundation of a freely elected Constituent Assembly would certainly be strong and would command the allegiance of the entire population of Indonesia.

Both parties regarded their respective standpoints as extremely important and at first it was found difficult to bridge the gap between them. Finally however, the Government of the Republic in an effort to progress towards a settlement agreed to relinquish its demands in favour of the early selection of an Interim Government. It insisted, however, on four conditions:

1. The Interim Government to have a national character and to be vested with concrete powers.
2. The Ministers of this Interim Government to be persons with adequate sense of responsibility and to be known throughout Indonesia.
3. The Interim Government to pledge the observance of the democratic principles and to promote the development of democracy among the population.
4. The Interim Government eventually to be responsible to a Constituent Assembly.

There were a number of conversations between the Vice-President and Minister Stikker on November 4, 5 and 6, 1948. On November 6, Minister Stikker left for Djakarta, announcing that he would come back to Kaliurang the next day. On November 7, his advisers whom he left behind in Kaliurang, also left for Djakarta, to return to Kaliurang on November 8. Because Minister Stikker did not return to Kaliurang, the subsequent conversations were held between the advisers of both sides and also with Vice-President Mohammad Hatta.

At the request of the advisers of Minister Stikker, an *aide memoire* (Annex I) was handed over for the information of the Netherlands Government. The contents dealt with several basic issues on which the Netherlands Government required elucidation but did not cover all the subjects that had been discussed.

The *aide memoire* requires elaboration and clarification on a number of points but it is sufficiently precise to show that the Republican Government was at the time prepared to give way to a remarkable extent in an effort to find an overall agreement. Not only was the Republican Government prepared at that stage to agree to the formation of an Interim Government before the institution of the Constituent Assembly but it was also prepared to agree to a considerable delay in the transfer of sovereignty.

It is unnecessary to emphasize that January 1, 1949, is a target date for the transfer of sovereignty is of the utmost importance in the minds of Indonesians. Furthermore, notwithstanding the Renville Agreement, the Republican Government was prepared to accept provisionally the states created unilaterally by the Dutch in the territory of the Republic occupied by the Netherlands after July 21, 1947.

These far-reaching concessions represented the limits to which the Republic could go in order to meet the Netherlands point of view. It suggested these concessions unilaterally, and at the outset of the talks so as to facilitate the early resumption of formal negotiations under the auspices of the Committee of Good Offices and so as to expedite the reaching of an agreement.

The proposed concessions were offered notwithstanding a strong distrust of Netherlands policy among the people of the Republic. Two months previously the Republican Government had accepted the draft proposals of the United States representative on the GOC as a basis for resuming negotiations. The people of the Republic expected that this plan rather than Dutch demands would form the basis of any future talks. Bitter experience had already convinced the Republic that direct negotiations, without the supervision of a third party, did not work to the advantage of the Republic, and there was considerable criticism from important political groups within the Republic of the Government's decision to hold direct talks outside of the Good Offices Committee. These groups felt that the Netherlands request for direct talks was intended to avoid the resumption of negotiations on the basis of the U. S. draft proposals, to create the false impression internationally that the Netherlands were anxious for a fair settlement with the Republic and to delay matters until the Netherlands had completed their preparations for the formation of an interim federal government without the Republic. In addition, Netherlands propaganda concerning infringements of the truce including the efforts of the Netherlands press to blame all incidents in Netherlands-controlled territory on the Republic gave rise to further resentment within the Republic.

In return for its offer of concessions, the Republic required some guarantees from the Netherlands as safeguards for the eventual creation of a sovereign United States of Indonesia. Such safeguards would include a guarantee that Netherlands armed forces would not be used during the interim period to deal with internal disturbances unless with the consent of the interim federal government as was envisaged in the Cochran plan and a guarantee that the Indonesian question would remain on the agenda of the Security Council so that the Committee of Good Offices would continue in Indonesia until the transfer of sovereignty to a United States of Indonesia. In the opinion of the Republican Government, the question of guarantees such as these could be solved in formal discussions under the auspices of the Committee of Good Offices.

In order to ease the tension which had been leading to truce infringements, Vice-President Hatta in his conversation with Minister Stikker on 6 November proposed several measures to be taken by the parties.

- A. That the Republic would take the following measures :
1. The Vice-President would make a radio broadcast appealing to the entire people to assist in preventing truce violations.
  2. The Government of the Republic would issue instructions to unit commanders to watch for any action which might involve truce infringements.
  3. The Government of the Republic would dispatch a senior officer accompanied by senior civilian officials to inspect the various outposts along the *Status Quo Line*.
- B. That the Netherlands should take measures :
1. To discontinue the radio broadcast of the Dienst voor Leger Contacten (Army Public Relations Dept.) which are of an inflammatory nature.
  2. To revoke the Army Order from the Dutch Army Command, permitting their troops to cross the *Status Quo Line*.
  3. To have the Dutch troops employed on police duties, within the demilitarized zones replaced by civil police, (VP), as has been done from the outset in Republican territory.
  4. To postpone the institution of the Negara Djawa Timur.

Meanwhile on the Republican side the three proposals have already been implemented, but not one of the measures proposed for the Netherlands has been taken.

On the 27 November, Dr. Stikker, the Netherlands Minister for Overseas Territories, Dr. Sassen, and Royal Commissioner Neher came to Kaliurang accompanied by their advisers to continue the informal conversations.

The Netherlands Delegation appeared to be much more concerned with the observation of the truce than with the need to find an early solution of the political points at issue. This was in keeping with the Netherlands view that a better atmosphere was essential before negotiations could be resumed but it was entirely contrary to the view of the Republican Government that the delay in reaching a political settlement was directly responsible for the increase in unrest and disorders in Netherlands-controlled territories.

The Netherlands Delegation presented a graph showing the increasing incidence of alleged truce violations. On the other hand, the Republicans purposely refrained from mentioning truce violations committed by the Netherlands, though these have also been registered, because it was the opinion of the Government of the Republic that the object of these conversations was not to fling charges and counter-charges, but on the contrary, to find a way to prevent or at least to minimize truce violations by either party.

Netherlands demands as submitted in a memorandum by Netherlands advisers were both peremptory and one-sided. They were unacceptable for reasons set out in the reply of the Republican advisers which also indicated the steps the Republican Government had taken to bring about an improvement in the observation of the truce. From a political point of view, it would have been extremely difficult for the Republican Government to make further unilateral efforts to assist the Dutch to maintain order in Netherlands-controlled territory in the absence of assurances that the Netherlands were sincere in their efforts to reach a political settlement with the Republic. Moreover, it is the Republic's contention that the incidents occurring in Netherlands-controlled territory which are the result of the present Netherlands policy cannot be regarded as truce violations nor the responsibility of the Government of the Republic.

In view of these differences of opinion, the conversations did not give satisfaction to the Netherlands ministers and proved disappointing to the Republicans.

As the conversations between the advisers of both parties yielded no results, the Vice-President Dr. Hatta forwarded to the Netherlands ministers a draft for a communique to be issued jointly by the Governments of the Kingdom of the Netherlands and of the Republic of Indonesia. Dr. Sassen was not able to reply immediately to this proposal and notwithstanding a written reminder no answer has been received from the Dutch to this date.

Discussions were also held on economic matters, on political problems arising out of the earlier discussions between Dr. Hatta and Dr. Stikker, and in particular on the powers of the High Commissioner in the interim period. The economic talks between advisers made some progress. The political talks, however, led to a serious misunderstanding.

Minister Sassen considered that Dr. Hatta's insistence that the Republic could not accept the use of Dutch troops against Indonesians in opposition to the wishes of the interim federal government was a withdrawal from the position taken by Dr. Hatta in his *aide memoire*. Dr. Sassen included this complaint in a letter he forwarded to Dr. Hatta on November 30th (Annex II).

On the following morning (December 1), the Dutch ministers left Kalurang for Djakarta ill-content with the results of their conversations. The announcement shortly afterwards that the ministers would return to the Hague seemed to indicate that the direct talks had failed.

Dr. Sassen's charges with regard to the *aide memoire* were clearly based on a misunderstanding. Dr. Hatta who drafted the appropriate sections had made it clear to the Netherlands advisers who were present at the time that there could be no concessions from the Government of the Republic which would permit the unrestricted use of Dutch troops against Indonesian. Accordingly, the Republican Vice-President made a last minute effort to avoid a deadlock and clear up the misunderstanding. He wrote to Dr. Sassen on December 3rd (Annex III) offering to go down to Djakarta on December 6th for the continuation of the informal talks.

On December 4th the U. S. representative on the Committee of Good Offices came to Djakarta with the request for Dr. Hatta to visit Djakarta as early as possible to clarify some important points still at issue. The Vice-President immediately accepted the offer and met that same evening in Djakarta with Minister Stikker, Minister Sassen and Mr. Neher.

Differences of opinion clearly emerged on the two matters which were discussed.

1. The Netherlands Ministers could not agree that the powers of the High Representative of the Crown over the employment of the Netherlands armed forces should in practice be restricted—by special arrangement—so that he could employ Netherlands armed troops to deal with internal disturbances only with the consent of the Interim Government. The Republican standpoint is that Indonesian troops have proved their capacity to maintain internal security whereas the employment of Dutch troops against the wishes of the Indonesian people could only create internal disturbances and seriously affect co-operation between the Netherlands and the Indonesian people.
2. The Netherlands conceptions regarding the relations between the Netherlands and the Federal armed forces differed from the Republican view that the federal armed forces must be under the control of the interim Federal Government. In the

opinion of the Republican Government there must be two separate commands. The Netherlands would be responsible for the command of Netherlands forces and the Interim federal Government for the command of federal forces in Indonesia. The Republican Government is agreeable to the formation of a Joint Netherlands-Indonesian Staff under the Chairmanship of a Netherlands Officer providing the functions of this Joint Staff are purely advisory. In the event of the Interim Federal Government calling on the assistance of the Netherlands Armed Forces to meet an emergency, the Government of the Republic of Indonesia is prepared to accept Netherlands command over all forces in Indonesia.

Dr. Hatta emphasized that the Government of the Republic of Indonesia was prepared to recognize the constitutional sovereignty of the Kingdom of the Netherlands in the interim period providing that in practice the exercise of this sovereignty were limited by a protocol to a political agreement or by published instructions from the King.

At the end of the conversation the Netherlands ministers stated that their instructions did not permit them to accept the Republican viewpoint on these matters and that they would have to report to their Government.

In view of the differences of opinion that had remained even after the informal talks, Minister Sassen stated that the Netherlands Government would be compelled to create an interim government before January 1, 1949, without the Republic and on the basis of the draft bill (Wet Dewindvoering Indonesia in Overgangstyd) already prepared.

The Republican Government does not anticipate that the Netherlands Government is prepared at this stage to resume either direct talks or formal negotiations under the auspices of the GOC. The Netherlands Ministers will doubtless have informed the Committee independently of the results of the direct talks and from this advice the Committee will be able to assess the possibility of a resumption of negotiations.

The Republican Government has shown its goodwill and gone to the limit in offering concessions towards the viewpoints of the Netherlands. The failure of its efforts to evoke a satisfactory response has brought a reaction on the public that may effect the concessions that can be offered in the future.

In view of the foregoing and the official Netherlands statements, it appears that the instructions to the Netherlands Ministers were restricted to an investigation of whether the Republic would in principle accept Netherlands terms, and did not constitute a serious attempt to negotiate an agreement with the Republic.

There is now strong evidence that the Netherlands Government intends to form an Interim Federal Government without the Republic before the end of the year, and without further formal negotiations with the Republic under the auspices of the Committee of Good Offices. Such a policy would ignore the Renville Agreement, the Committee of Good Offices and the statements the Netherlands Government has made before the Security Council.

As direct talks between the parties have failed the Republican Government calls upon the Committee of Good Offices to take whatever measures may be possible to prevail on the Netherlands Government to come to a peaceful settlement of the dispute. The Republic is always willing to consider reasonable proposals for a settlement but to avoid misunderstanding it should be stated that there are certain limits beyond which the Republican Government cannot honourably go.

In conclusion, the Government of the Republic of Indonesia wishes to stress that whatever the circumstances, the formation of an Interim Federal Government for Indonesia without the Republic would make a negotiated settlement of the Indonesian dispute much more difficult if not impossible.

## ANNEX I

Republican Aide Momoire dated November 10, 1948 in connection with the Discussions at Kaliurang from 4 to 9 November 1948.

## CHARACTER AND PURPOSE OF THE DISCUSSIONS

The discussions are of a tentative character and were held with a view to obtain a better knowledge of each other's views and standpoints in order to consider in how far they differ from each other and in how far they can be brought together.

Whereas both parties are agreed in principle that the negotiations must be resumed on the basis of the Cochran plan under the auspices of the Committee of Good Offices, the Republican Government hopes that the following expose of its views will contribute to reduce the time necessary for the conclusion of a political agreement.

I. *Constitutional development in the interim period*

1. The Republican Government is prepared to co-operate with the Netherlands Government towards the institution on December 1, 1948, of a Federal Interim Government for the whole of Indonesia on the basis as indicated hereinafter.

2. This interim government shall be composed of a Council of Ministers under the direction of a Prime Minister, while appositively there shall exist a Provisional Representative Body and a Federal Council. The Republican Government observes in this connection that although it has objections to make to the institution of the Federal Council, it is prepared to consent to a Federal Council on the basis of para. 7 in order to meet the wishes of the Special Federal Consultation and the Federal Conference in Bandung.

3. At the commencement of the interim period—

(a) the Council of Ministers shall consist of Indonesians (Indonesian citizens) appointed by mutual agreement between the High Representative of the Crown and the representative of the federalists on the one hand and the Republican Government on the other. As such the ministers do not represent their negaras. They must be able and authoritative and must be socially known throughout Indonesia. Aforementioned appointment shall be confirmed by the King.

(b) a Provisional Representative Body shall be composed from delegates of the component areas referred to in sub (a) and the Republic. The representation shall be proportional, on the understanding that each component area shall have at least one representative. The component areas themselves shall decide by what procedure the representatives shall be appointed.

4. The elections for the Constituent Assembly shall take place six months after the institution of the Federal Interim Government, unless the Federal Interim Government after consultation with the High Representative of the Crown decides on a later date. The Constituent Assembly acts as provisional parliament instead of the aforementioned Provisional Representative Body.

5. As soon as the Constituent Assembly has been convoked, the Council of Ministers referred to sub 3(a) relinquishes its mandate.

In regard to the procedure to be followed subsequently, the Republican Government gives preference to the following: The Constituent Assembly elects a President; the President appoints a cabinet-formatour and appoints a cabinet. The cabinet shall be responsible to the Provisional Parliament (Constituent Assembly).

6. The High Representative of the Crown appoints in the Constituent Assembly representatives of the Minorities, the number of whom shall be established by him in consultation with the Federal Interim Government.

7. The Federal Council to be instituted may consist of one delegate for each component area as referred to sub 3(a) and representatives of the Republic to a number equal to half of the number of the other delegates. With this Council, agreement shall have to be reached on matters which affect the relation to the component areas of the whole of Indonesia or between the component areas mutually. Furthermore, the Council shall have to be consulted on all outstanding matters related with the establishment of the new legal order.

8. The Federal Interim Government shall have all powers in regard to the administration of Indonesia as are now vested in the Netherlands Legislature, the Crown and the Governor General, in so far as these competencies have not been transferred to or retained by the component areas and in so far as it has not been deprived of the powers as indicated hereinafter.

The delineation of the competencies between the Federal Interim Government and the component areas shall take place in such a manner that the competencies of the Federal Interim Government shall be specifically enumerated, while the remaining competencies shall be regarded as the competencies of the component areas.

9. During the interim period, the Netherlands Government—by virtue of sovereign powers as also recognized by the Republican Government—shall continue to bear joint responsibility for the administration of Indonesia, for the development of the relations between Indonesia and the Netherlands and between Indonesia and foreign nations, as well as for the formation of a new legal order in Indonesia. In view of the above, the High Representative of the Crown shall have powers for emergency cases and the right of veto and of promulgation in certain cases to be specified later.

10. The Government of the Republic appeals for the active cooperation of the Netherlands Government in order to arrive at the establishment of the U.S.I. before or on 1 January 1949. This establishment shall only be postponed to a later date only and as long as it appears inevitable for factual reasons connected with the establishment of the U.S.I. and the Union.

11. The Republican Government recognizes that the supreme authority over foreign relations remains vested in the Crown for the duration of the interim period. The existing Republican representations abroad shall be incorporated in the representation of the Federal Interim Government which forms as an independent Indonesian foreign service. It forms a special part of the foreign representation of the Kingdom. Of each report which the Indonesian representative sends directly to the Indonesian Minister of Foreign Affairs, he submits a copy to the Netherlands *Chef de Poste*.

12. In the main, the Republican Government subscribes to the Cochran proposals as regards the Union, and also as regards the military and the financial-economic matters.

## II. *The Military Organization in the Interim Period*

(a) The federal armed forces shall be created by the Federal Interim Government in concurrence with the High Representative of the Crown.

The Republican Government is prepared energetically to cooperate in the formation of the federal armed forces; *inter alia* the T.N.I., the A.L.R.I. and the A.U.R.I. shall be partly incorporated in the federal armed forces in accordance with directives to be determined by the Federal Interim Government in consultation with the Republican Government. This shall be completed within seven months after the Federal Interim Government. That part of the personnel of the Republican armed forces which is not transferred to the federal armed forces can be transferred to



the special police or can be given an alternative employment, or can be returned to society.

(b) With a view to removing the existing military tension, the Republican Government holds the opinion that a backward concentration should be effected of troops on either side of the *Status Quo Line*. The Republican Government is prepared to give fullest cooperation for this purpose.

(c) By virtue of the joint responsibility of the High Representative of the Crown and the Federal Interim Government, the High Representative of the Crown has control over the Netherlands armed forces and the Federal Interim Government over the federal armed forces. In case of emergency, when the assistance of the Netherlands armed forces is being called upon, the Supreme Command over all armed forces present shall be vested in the High Representative of the Crown.

(d) The Republican Government is prepared to continue disbanding and disarming all armed organisations in Republican territory outside the T.N.I., the A.L.R.I. and the A.U.R.I., after the inauguration of the Federal Interim Government.

### III. *Security in the interim period.*

(e) The Republican Government is prepared to give the fullest and energetic cooperation to counter all movement, activities and actions, directed against the legal authority or against the security of persons or property, in order to completely restore law and order throughout Indonesia within the shortest space of time.

(f) When or as soon as in a certain district the maintenance of law and order appears not to be possible with the normal organs of authority, a "state of insecurity" may be declared over such a district. Under the "state of insecurity", law and order shall be restored in the district concerned with the aid of the federal armed forces and, as far as necessary, of the Royal N.I. Army, the Royal Army and the Royal Navy. The declaration of the "state of insecurity" shall be done by the Federal Interim Government in concurrence with the High Representative of the Crown or by the High Representative of the Crown when he considers that the "state of insecurity" should be declared for a certain district and the Federal Interim Government appears unwilling to do so.

(g) In order to afford the Republican Government the opportunity whenever necessary to restore law and order with its own organs of authority in Republican territory, in concurrence with the Federal Interim Government and the High Representative of the Crown, the "state of insecurity" shall not be declared over any part of Republican territory, within a period of one month after the institution of the Federal Interim Government in regard to Java and two months in regard to Sumatra, except with the consent of the Republican Government. The above periods of time have been decided upon on the assumption that the Federal Interim Government shall give full support to the Republican Government in this matter.

(h) In order to promote a favourable atmosphere with a view to the resumption of negotiations, the Prime Minister of the Republic shall take the following measures :

- (1) make radio broadcast in which *inter alia* all unit commanders shall be exhorted to take measures in order to prevent irresponsible elements from violating the truce, *inter alia* infiltrations;
- (2) having instructions issued by the military command in the Republic to the same effect as referred to under (a); furthermore, to instruct reliable officers to proceed to the *Status Quo Line* in order personally to guard against Truce infringements;
- (3) drawing renewed attention through press and radio to the existing Army Order in which commission of Truce violations is made liable to disciplinary action.

In view of the foregoing, the Republican Government trusts that the Netherlands Government will for its part do all which is necessary to promote peaceful atmosphere.

**ANNEX II**

MINISTRY OF OVERSEAS TERRITORIES.

*Kaliurang, November 30, 1948.*

EXCELLENCY,

On behalf also of my colleagues on the Delegation, that the Netherlands Government has dispatched to Indonesia, among others to consult with your Government with a view to promoting the possibilities of an overall agreement, I wish to thank you most sincerely for the hospitality accorded to us in Kaliurang. Even more for the opportunity so amply afforded for profound, frank discussion with you on the questions which at present engage both of us, in a spirit which I have deeply appreciated.

Thereby, a better and clearer understanding has undoubtedly been obtained in regard to the mutual standpoints and difficulties. The readiness of your advisers to discuss at all times in detail the problems that had been raised with our co-workers, have greatly facilitated our task.

This task remains a heavy one. Because, however better and clearer—as I have stated above—the mutual standpoints and difficulties could be understood—points of difference remained.

Allow me, Excellency, on the eve of our contemplated departure to Batavia tomorrow, December 1, 1948, to express my disappointment over what you confirmed to me in the course of our conversation this evening with respect to the very unsatisfactory observance of the Truce and over the information which you gave to me to the effect that it would be unacceptable, or, to speak in your own words, indigestible, for the Republican Government if the political agreement which we are both striving after, were to contain a provision whereby the High Representative of the Crown would independently be vested with the authority in case of internal disturbance in Indonesia during the interim period, to employ Netherlands troops if necessary, but that he would only be allowed to do so if and when previous consent of the projected Federal Interim Government had been obtained.

I regret the latter information even more the fact that thereby you, as you have said yourself already, have gone back on what you have confirmed to Minister Stikker during his previous visit to Kaliurang, and which caused him to be at liberty to report to my government on the visit and to advise as he did.

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

(Sd.) E. SASSEN.

His Excellency,  
Mohammed Hatta,  
Vice-President and Prime Minister of  
the Republican Government.  
KALIURANG.

**ANNEX III**

THE VICE-PRESIDENT OF  
THE REPUBLIC OF INDONESIA.

*Jogjakarta, November 30, 1948.*

EXCELLENCY,

Allow me, with reference to your letter of 30 November last to explain the following, in order to remove the impression you received, as though I would have gone back on that which I have told Minister Stikker during this earlier visit to Kaliurang. In our conversation of Tuesday-evening at

Kaliurang, in which we frankly spoke of our mutual difficulties, I have said among others that with regard to many items in the *aide memoire* I have, in the opinion of many and especially of the P.N.I., gone too far, but that I still maintain the position contained therein. Perhaps the information contained in the last paragraph may have escaped your notice.

I may avail myself of this opportunity to draw your attention to the following points.

1. Whereas I share your view that the Interim Federal Government should be formed as soon as possible, too much time should not be lost with fruitless discussions. I am therefore prepared to come to Djakarta, in order to ensure—if the Netherlands Government is also willing to do so—that the direct talks on the basis of the *aide memoire* of November 10 last may be completed before the 15th of December, 1948.

2. The Government of the Republic is of the opinion that, after notification to the Committee of Good Offices that the talks are being continued in Djakarta, those talks can be continued there in the same informal manner as in Kaliurang, and will be followed by formal discussions under the auspices of the Committee of Good Offices in order to reach an agreement based upon the Cochran Plan.

3. Moreover, the Government of the Republic would highly appreciate to learn your opinion with regard to my draft joint communique concerning the truce infringements, to be signed by both parties.

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

(Sd.) MOHD. HATTA.

To His Excellency,  
Dr. E. Sassen,  
Minister of Overseas Territories,  
DJAKARTA.