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UNITED NATIONS COMMISSION FOR INDONESIA  
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SPECIAL REPORT TO THE SECURITY COUNCIL

on the

ROUND TABLE CONFERENCE

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*7 E.P.*

LETTER DATED 8 NOVEMBER 1949 FROM THE UNITED NATIONS  
COMMISSION FOR INDONESIA TO THE PRESIDENT OF THE  
SECURITY COUNCIL  
SUBMITTING THE SPECIAL REPORT OF THE COMMISSION  
ON THE ROUND TABLE CONFERENCE

Kasteel Oud Wassenaar,  
The Hague,  
8 November 1949.

Sir,

We have the honour to forward herewith the Special Report of the United Nations Commission for Indonesia on the Round Table Conference, held at The Hague from 23 August to 2 November 1949.

As set forth in the Memorandum of 22 June 1949, the aim of the Round Table Conference was

"to bring about a just and lasting settlement of the Indonesian dispute as soon as possible by reaching an agreement among the participants concerning the ways and means to transfer real, complete and unconditional sovereignty to the United States of Indonesia in accordance with the Renville principles."

With this Special Report, the Commission takes pleasure in informing the Security Council of the organisation and the achievements of the Round Table Conference, and in connection therewith submits the texts of the agreements reached by the participants.

We take this opportunity to renew to you, Sir, and to the representatives on the Security Council, the assurance of our highest consideration.

We have the honour to be,  
Sir,  
Your obedient Servants,

(signed) H. Merle Cochran (United States  
Chairman of America)

T. K. Critchley (Australia)

R. Herremans (Belgium)

The President  
of the Security Council,  
United Nations,  
Lake Success,  
New York.

TABLE OF CONTENTS

Page

CHAPTER I	: Introduction.	1
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FIRST PART

Organisation of the Conference

CHAPTER II	: Rules of Procedure applicable to the Commission's participation.	3
CHAPTER III	: Convening of the Conference.	7
CHAPTER IV	: Working procedure of the Conference.	13
CHAPTER V	: Other procedural matters.	18

SECOND PART

Achievements of the Conference

CHAPTER VI	: Political and Constitutional issues.	23
CHAPTER VII	: Financial and Economic problems.	33
CHAPTER VIII	: Military affairs	42
CHAPTER IX	: Cultural affairs	50
CHAPTER X	: Social affairs	52
CHAPTER XI	: Conclusion of Conference	54
CHAPTER XII	: Conclusions	60

LIST OF APPENDICES\*

- I Rules of Procedure for the Round Table Conference
- II Statement made by the Chairman of the week of the United Nations Commission for Indonesia at the first Plenary Meeting held on 23 August 1949.
- III Letter dated 30 September from Dr. M.J. Prinsen, Secretary-General of the Conference, to Dr. P.A. Blaauw, in respect of subjects of concern to the Netherlands minority group.
- IV Summary of discussions of Sub-Committee (I) of the Steering Committee, held on 6 September, concerning its report to the Steering Committee on the hearing of representatives of "significant interests".
- V Rules of Procedure for Sub-Committee (II) of the Steering Committee for the hearing of all those presenting themselves as representatives of "significant interests".
- VI Constitution of the Republic of the United States of Indonesia.
- VII Charter of the Transfer of Sovereignty.
- VIII Correspondence in respect of the exchange of High Commissioners.
- IX Union Statute.
- X Agreement concerning foreign relations between the Union Partners.
- XI Agreement on Transitional Measures.
- XII Agreement concerning the assignment of citizens.
- XIII Financial and Economic Agreement.
- XIV Exchange of letters in respect of certain financial and economic matters.
- XV Regulations concerning the Netherlands naval fighting forces in Indonesia after the transfer of sovereignty.
- XVI Regulations concerning the land fighting forces in Indonesia under Netherlands command after the transfer of sovereignty.
- XVII Regulations concerning the air fighting forces in Indonesia under Netherlands command after the transfer of sovereignty.
- XVIII Exchange of letters in respect of the Agreement on Military Mission.
- XIX Correspondence in respect of certain military affairs.
- XX Agreement on cooperation between the Union Partners in the field of defence.

\* Secretariat note: The Appendices will be issued separately, as an addendum to this document, as soon as the revised English texts of all the documents are received.

- XXI Agreement concerning cultural relations between the Union Partners.
- XXII Agreement concerning the position of the civil government officials in connection with the transfer of sovereignty.
- XXIII Covering Resolution of the Round Table Conference.
- XXIV Exchange of correspondence in respect of :
- a/ interpretation of article 2 of the Charter of Transfer of Sovereignty.
  - b/ Status of the "Kingdom of the Netherlands" in the Union.
  - c/ Mutual consultations to prevent nationality conflicts between Union Partners.
  - d/ Status of nationals of one Union Partner in public service of the other.
  - e/ Regulations concerning rights of civil procedure.
  - f/ Financing of expenditure of Union Partners in each other's territory.
- XXV Statement made by the Chairman of the week of the United Nations Commission for Indonesia at the closing Plenary Meeting held on 2 November 1949.

## CHAPTER I

### Introduction

1. On 23 March 1949 the Security Council expressed its view that the holding of a Conference at The Hague, as proposed by the Netherlands Government, and the participation by the United Nations Commission for Indonesia in accordance with its terms of reference, would be consistent with the purposes and objectives of the Council's Resolution of 28 January 1949, if agreement were reached on the implementation of that Resolution and in particular paragraphs 1 and 2 of the operative part thereof, and on the time and conditions for holding the proposed Conference. Such agreement was reached in the preliminary discussions held at Batavia (paragraph 91 of the Commission's First Interim Report - S/1373).
2. Under the Commission's terms of reference, as established by the Security Council on 28 January, the following functions of the Commission applied to its participation in the Conference :
  - (a) to assist the parties in their negotiations and in the implementation of agreements reached previously;
  - (b) to make recommendations to the parties and/or to the Conference on matters within the Commission's competence;
  - (c) to report to the Security Council on the progress of the Conference, and possibly make to the Council pertinent recommendations.
3. It is recalled that the agreement, formalised on 22 June 1949 on the time, organisation and subjects to be dealt with by the Round Table Conference, stipulated that participants in the Conference would be representatives of the Government of the Netherlands, of the Government of the Republic of Indonesia and the  
/Federal

Federal Consultative Assembly, and further provided that the United Nations Commission for Indonesia should participate in this Conference in accordance with its terms of reference (appendix X of First Interim Report - S/1373).

4. At the Commission's meeting held on 2 August 1949 in Batavia, the Members of the Commission instructed their deputies to act on behalf of the Commission during the absence of its Members from Indonesia. The Members of the Commission then proceeded to The Hague, in the course of the second week of August 1949.
5. The Round Table Conference was sponsored by the Netherlands Government and the Commission was not called upon to assume responsibility with regard to the convening, organising or directing of the Conference.

## F I R S T P A R T

### Organisation of the Conference

#### CHAPTER II

#### Rules of Procedure applicable to the Commission's participation

6. Prior to the formal opening of the Conference, necessary arrangements in connection with the organisation of the Conference had to be made. A preliminary informal gathering of the Chairmen and Vice-Chairmen of the three Delegations to the Conference (Netherlands, Republican, F.E.C.) took place on 16 August. The three members of the United Nations Commission for Indonesia were invited to attend this meeting which was convened for a preliminary discussion on the establishment of a Steering Committee and on the opening date of the Conference. The meeting also entrusted a small committee, consisting of one member of each of the three Delegations and the Chairman of the week of the United Nations Commission for Indonesia, with the task of preparing draft Rules of Procedure for the consideration of the full preparatory committee. This small committee held four informal meetings on 17 and 18 August, at which two texts were considered, one prepared by the Republican Delegation and the other by the Netherlands Delegation. The latter text served as a basis for the preparation of the majority of the articles of the draft Rules of Procedure. These, as prepared by the small committee, were with some modifications provisionally approved on 19 August by the preparatory committee and adopted without change by the Conference at its first Plenary Meeting (appendix I).



7. The Commission desired that its participation in the Round Table Conference be clearly defined in the Rules of Procedure. As finally approved, these Rules were satisfactory to the Commission. The general position of the Commission at the Conference was set forth in article 3 of the Rules of Procedure, which provided that :

"The United Nations Commission for Indonesia will participate in the Round Table Conference in accordance with its terms of reference, as they have been established by the Security Council".

According to article 6, plenary meetings of the Conference could be held only with participation of the Commission.

8. The Conference was so organised as to grant the Steering Committee broad powers with regard to both procedural and substantive matters. The Steering Committee was empowered to draw up the programme of the Conference, to prepare the work of the various committees, and to coordinate the results of the activities of the Conference. Moreover, major decisions influencing the outcome of the Conference were made in this Committee. The Rules of Procedure of the Conference stipulated that no meeting of the Steering Committee could be held without the participation of the United Nations Commission for Indonesia (article 6).

9. The draft Rules submitted by the Republican Delegation had provided that the permanent chairmanship of the Steering Committee would be entrusted to the Chairman of the Commission. It was decided, however, that the chairmanship of the Steering Committee would rotate weekly among the heads of the three participating Delegations.

10. The final provision of article 6 of the Rules of Procedure stipulated that :

"According to circumstances the United Nations Commission for Indonesia may participate, in conformity with its terms of reference, in meetings other than those mentioned in the preceding paragraph."

This text permitted wide interpretation: while the Commission could ask to participate in meetings of any committees or sub-committees, its participation could also be requested by these meetings themselves or by any of the parties. Article 47 provided that the records of all committee meetings would be communicated to the Commission irrespective of its participation.

11. The Commission took an early opportunity to inform the Conference that it might be represented at meetings by either one or more of its members. The Commission was thus enabled to attend meetings held simultaneously.

12. The Rules of Procedure further provided that :

"The Steering Committee shall meet as often as is considered desirable by the head of one of the delegations or by the United Nations Commission for Indonesia." (article 12, paragraph 2)

and that

"The provisional agenda shall include every subject in respect of which the head of one of the delegations or the United Nations Commission for Indonesia has submitted a request for a discussion." (article 15, paragraph 2).

These two provisions permitted the Commission to take the initiative at any stage in the activities of the Conference.

13. Netherlands, Indonesian, English and French languages could be used at any meeting (article 44, paragraph 1). The Secretariat-General of the Conference prepared all documents in the

/Netherlands

Netherlands, Indonesian and English languages; it was stipulated that while the Netherlands and Indonesian texts of all documents should be equally authentic, the English text should be considered as decisive in the event of difference of interpretation (article 45).

14. On matters of substance, according to the Rules of Procedure, all decisions of the Conference would be unanimous; in matters of procedure, on the other hand, it had been originally proposed that decisions be taken by vote. Since, however, a satisfactory voting formula could not be agreed upon, a text was finally adopted (article 41), providing that decisions on matters of procedure were also to be taken by unanimous vote. Whenever a decision could not be reached by unanimity, it would be the Commission's function to undertake mediation.

### CHAPTER III

#### Convening of the Conference

15. The first Plenary Meeting of the Conference was opened on 23 August 1949 by the Prime Minister of the Netherlands, Dr. W. Drees. In his address the Prime Minister stated that, however it developed, the Conference would be of historical significance to the future of the peoples of Indonesia and the Netherlands. Dr. Drees pointed out that the Netherlands' decision to transfer sovereignty to the United States of Indonesia - as set forth in previous agreements - represented an "irrevocable resolution". Although, in the opinion of many Netherlands, it would have served the interests of all concerned if a more peaceful and gradual transition had proved possible, the after-effect of the war had accelerated developments in Indonesia, the consequences of which could not be overlooked. Emphasizing that the Conference could only attain its aims if actual fighting with weapons or propaganda ceased, and if the delegations acted with deep earnestness and conscious self-discipline, the Prime Minister added that definite principles existed for the guidance of the Conference. These principles included: the speedy development of the United States of Indonesia as a sovereign, democratic State on a federal basis; the right of self-determination of the populations; and cooperation in a Netherlands-Indonesian Union headed by the King of the Netherlands. In establishing new relations, however, vagueness and generalities would not be sufficient; the Conference must come to clear agreements and arrangements.

In conclusion, Dr. Drees welcomed the United Nations Commission for Indonesia, and expressed the hope that the Conference would prove to be "a very satisfactory and successful experience" for the members of the Commission, who would consider this Conference primarily from an international standpoint.

16. Dr. Mohammed Hatta (Chairman of the Republican Delegation) then addressed the Conference. He believed that the Indonesian "tragedy" of the past four years was fundamentally a psychological problem. Both parties had maintained a common objective, namely, to grant independence to the Indonesian people; they had only differed as to the methods for reaching this objective. The primary endeavour of the Conference should be the elimination of distrust and the strengthening of the will to achieve mutual understanding and cooperation. Anything that might give rise to distrust must be avoided; there should not be any interim period in transferring full sovereignty once agreement had been reached at the Conference. Because of the psychological importance of the question of the Netherlands-Indonesian Union, the Conference should also exercise the utmost caution in drafting the blue-prints and in building the structure of the Union. It should not be a super-state, but a voluntary association between two equal, independent states; nor should it be cumbersome in its structure and commitments, if it were to entail close cooperation over a long period.

Turning to the question of Netherlands economic interests in Indonesia, Dr. Hatta stated that the fear that such interests would be placed in jeopardy by granting sovereignty to Indonesia was completely unfounded. In this regard, he recalled the political manifesto issued by the Government of the Republic of Indonesia in November 1945, which clearly stated that such interests would be safeguarded. He added that economic cooperation could be planned in such a way that reconstruction in Indonesia would be co-ordinated with the establishment of new Netherlands industries to meet Indonesia's need for materials and equipment.

/Dr. Hatta

Dr. Hatta further stated that transfer of sovereignty would involve the assumption of debts and taking over of rights and obligations; the discussion of such problems should, however, not delay the Conference and might be limited only to fundamentals and principles.

In conclusion, Dr. Hatta emphasized the psychological importance of transferring sovereignty to the Indonesian people before 1950.

17. H.H. Sultan Hamid II (Chairman of the F.C.A. Delegation) stressed the need for a spirit of mutual trust. In his opinion the negotiations conducted under the auspices of the United Nations Commission for Indonesia in Batavia had resulted in a redress of confidence, which in turn had been strengthened by the inter-Indonesian discussions. Thus, an end was put to an almost insoluble controversy which had lasted for years.

Sultan Hamid expressed his satisfaction that the Commission was present at the Conference to assist the parties by word and deed. He was convinced that a solution of the Indonesian problem would also be due to the Commission's assistance, and that its presence would increase the significance of the outcome of the Conference.

Sultan Hamid was gratified that the Federal Consultative Assembly had been acknowledged as an equal party and would be able to contribute to the achievement of an agreement representing "a solid foundation on which, on the one hand, the national Indonesian community and, on the other hand, the cooperation with the Netherlands, can be erected".

Indonesia would have to be a "unity in diversity", doing justice to the culture and economic interests of its component parts. All realised that peace and order, security of law, of existence and of enterprise, democracy, and federalism must be the pillars on which to build the house of the young State. During the previous discussions, emphasis had been placed principally on constitutional matters, but

now that the date of the transfer of sovereignty was in sight, increasing interest had to be given to financial and economic questions. Indonesia must create conditions to attract foreign capital; such capital would be automatically subjected to the laws of the country, which would have to guarantee, on the one hand, the possibility of reasonable profits and, on the other, the interests of the country and people themselves.

Sultan Hamid expressed the opinion that the constitutional development of the new state required a sound financial and economic basis.

18. Dr. J.H. van Maarseveen (Chairman of the Netherlands Delegation) confined his remarks to the spirit in which the Netherlands Delegation wished to carry on negotiations. He stated that his Delegation had in mind to make the Conference successful, both formally and materially. Formally, the Conference would be successful when agreement had been reached; the Netherlands Delegation was meeting the other two delegations in a spirit of goodwill in order to arrive at a just and equitable solution. If the other delegations were in the same frame of mind, and if the reasonable interests of all parties directly or indirectly concerned were safeguarded, he was convinced that early agreement would be achieved. Materially, the Conference would be successful only to the extent that it was able to influence favourably the future developments of both the Netherlands and Indonesia. The realisation of the ideal of freedom of the Indonesian people, which would be - as far as it depended on the Netherlands - irrevocably fulfilled, did not in itself guarantee its durability. This would be secured only when the new constitutional order succeeds in producing the powers to attend effectively to the spiritual and material interests of the population in all its shades, to secure harmonious cooperation

/between

between the various territories and groups of the population, to guarantee peace and security, and to make Indonesia in this way internally and externally a strong, unanimous, peaceful and prosperous State".

Dr. van Haarseveen emphasized the need for an orderly transition from the old to the new order, and declared that the Netherlands was prepared to lend a helping hand in building up a free and independent Indonesian commonwealth.

19. The last speaker was the Chairman of the week of the United Nations Commission for Indonesia, Mr. T.K. Critchley. He stated that the opening of the Round Table Conference had been possible only because of the "unstinted energy and cooperation demonstrated by all parties in the preliminary negotiations carried on in Batavia", where, in three short months, agreement had been achieved on a constructive course of action. Mr. Critchley then pointed out the difficulties under which the parties had had to negotiate and how, in a quiet and undramatic fashion, the delegations had moved towards agreement on three major questions : the restoration of the Republican Government to Jogjakarta; the issuance of a cease-fire order; and agreement on the holding of a Round Table Conference. The United Nations Commission for Indonesia was intimately associated with the preliminary negotiations. Its members had now come to The Hague to participate helpfully and actively in the Conference. "The delegations may be assured that the Commission stands ready to place its experience and assistance at the disposal of all parties". Whereas negotiations in Batavia had been held under the direct auspices of the Commission, the relationship of the Commission with the parties at The Hague was both new and significant. While the Commission retained its responsibilities, according to its terms of reference established by the Security Council, "it welcomes

/whole



whole-heartedly the evolution of events whereby the parties directly concerned have assumed voluntarily the responsibility for jointly shaping their common destiny". That responsibility called for the devoting of all energies, hopes and anxieties to the arduous tasks of constructing the new political structure. The Commission believed that the peoples of the Netherlands and Indonesia could each bring indispensable gifts to the new Union : the former could bring their priceless experience, and technical and administrative skills; the latter could bring the vitality of their nationalism and the enthusiasm born of a new sovereignty. "Together, the Netherlands and Indonesia can bring to the international family a peaceful and democratic relationship, founded on mutual respect and understanding and on a genuine community of interests" (text of statement in appendix II).

20. Following the presentation of the above addresses, the Conference adopted its Rules of Procedure. It then elected as Chairman Dr. W. Drees, the Prime Minister of the Netherlands, and as Vice-Chairmen Dr. Mohammed Hatta, H.H. Sultan Hamid II and Dr. J.H. van Marseveen, the heads of the three Delegations. Finally, the Conference appointed as Secretary-General Dr. H.J. Prinsen, and instituted the Steering Committee.

#### CHAPTER IV

##### Working Procedure of the Conference

1. The Steering Committee comprised the three ranking members of each Delegation and the United Nations Commission for Indonesia. At its first meeting, on 24 August, the Steering Committee established the following five Committees for :

Political and Constitutional Affairs;  
Financial and Economic Affairs;  
Military Affairs;  
Cultural Affairs;  
Social Affairs.

At the same meeting, the Steering Committee allocated to the above Committees the items which, according to the Agreement of 22 June on the Round Table Conference, were to be included in the agenda of the Conference.

2. The Political and Constitutional Affairs Committee, as well as the Financial and Economic Affairs Committee, established sub-committees to deal with their respective agenda items. The establishment of sub-committees was not found necessary by the Committees for Military, Cultural, and Social Affairs.

23. The working procedure almost invariably employed by the Conference and its committees and sub-committees in considering the agenda items was as follows :

Items received for consideration by committees or sub-committees were first entrusted to working groups, where they were examined in an informal manner. The working groups reported back on the result of their study to the respective committee or sub-committee. When agreement could not be reached at either the working group or the

committee level, the problems were discussed again informally, this time by the Chairmen of the Delegations on the committee in question. In turn each committee reported to the Steering Committee on progress made, specifying the items on which agreement had been reached, and those on which disagreement still existed. The latter items were either returned by the Steering Committee to the committee concerned for further consideration, or were taken up in informal talks by the leaders of the Delegations themselves, who were at the same time members of the Steering Committee.

Informal talks constituted the procedure for expediting the greater part of the work of the Conference, and a number of important results was achieved by this method. During the concluding stages of the Conference, however, negotiations were centered in formal meetings of the Steering Committee.

24. At all stages of the work of the Conference the Commission took an active part, by attending formal meetings and by participating in the informal talks at different levels. The Commission participated either as a whole or represented by its individual members, and in so acting was guided by consideration of the importance of the questions under discussion and of the extent to which it could render assistance. For the most part, the Commission preferred not to intervene before the parties had been given full opportunity to reach agreement among themselves. When such agreement was not forthcoming, the Commission then exercised its functions of mediation.

On numerous occasions, the parties themselves turned to the Commission for advice, especially during the concluding stages of the Conference. The Commission then deemed it essential to bring forward recommendations designed either to expedite the work of the Conference, or to reach settlements on issues vital to the success of the Conference.

As reported in the last two paragraphs of this Chapter, as well as in Chapters VI , VII and VIII, the Commission's assistance was instrumental in reaching agreement on all major issues.

25. It is recalled that in the Agreement of 22 June on the Round Table Conference, the participants undertook to strive for the completion of the Conference within two months; it was felt that to extend the Conference beyond this limit might have unfavourable repercussions on public opinion and even serious political consequences. In the earlier stages of the Conference, it became apparent that the problems requiring solution were of such complexity that the completion of the Conference within the time limit could be achieved only with the utmost effort and only if procedures were adopted which would enable the Conference to speed up its work.

26. At first the discussions were mostly of an exploratory character. Rather than exchange formal working papers stating their respective positions, the Delegations discussed their points of view in an informal manner in order to ascertain the extent of possibilities for agreement.

As a result of these exploratory discussions, the Delegations concluded that on certain questions progress could not be made prior to a meeting of minds on the basic issues of the Conference. A procedure was therefore adopted whereby, if in the course of discussions the delegations found further progress blocked by lack of agreement on a basic question, this question would be taken up and dealt with by the Steering Committee. In order to avoid delays in the conduct of the normal business of the Steering Committee, these basic questions were on occasion discussed at week-ends and away from the seat of the Conference. The first basic issue discussed in this way related to the provisions of the Union Statute; to

(paragraph 44)

/discuss

discuss it, the Steering Committee went to Namur, Belgium, on 17/18 September 1949. Similarly, basic economic and financial questions were discussed on 1/2 October in Baarn, North Holland.

27. As another measure for expediting the work of the Conference, the Steering Committee applied the provisions of article 13 (d) of the Rules of Procedure, authorising it to arrange the work of the five committees. At its fifth meeting, on 13 September, the Steering Committee instructed the Secretary-General of the Conference to prepare a memorandum with suggestions for speeding up the work of the Conference. As a result, it was decided that at each of its subsequent meetings the Steering Committee would consider the work of one of the Committees. The Chairmen of the Delegations to each Committee would report in writing and orally on the progress of the work of their Committee, setting forth the points of agreement and disagreement. Those points on which the Committee concerned was not able to reach solution were then made the objects of informal talks on the higher level.

28. Finally, at its meeting of 21 October, the Steering Committee reviewed the current state of progress of the Conference as a whole. It was then apparent that, notwithstanding previous efforts, a large number of issues, including many major problems of the Conference, remained to be solved, and that a different method of work had to be adopted if the Conference were to conclude successfully within the agreed time limit.

When these unresolved issues came to the Steering Committee, the parties turned increasingly to the Commission for help. For its part, the Commission endeavoured to formulate acceptable compromise solutions. The Commission's proposals were accepted by the parties,

/although

although occasionally further discussions or modifications were first necessary. The following important issues were thus settled :

New Guinea (paragraph 42);  
cooperation of the Union Partners in the field of  
foreign relations (paragraph 48);  
right of self-determination of peoples (paragraph 53);  
consultations on monetary matters (paragraph 61);  
transfer of pensions, and other similar payments,  
to Netherlanders (paragraph 63);  
transfer of indemnities for expropriated properties  
(paragraph 64);  
revision of existing Shipping Agreement (paragraph 65);  
representations of foreign enterprises in Indonesia  
(paragraph 70);  
most-favoured-nation treatment in the economic field  
(paragraph 74);  
Netherlands warships in Indonesian waters (paragraph 80);  
Surabaya Naval Base (paragraph 82);  
withdrawal of troops (paragraph 84).

29. An exceptional procedure was adopted on the question of debts and liabilities between Indonesia and the Netherlands, which the Netherlands Delegation insisted must be definitely settled at the Conference, but on which an impasse had been reached.

To meet this situation, the parties established a Debt Commission, composed of one representative each from the Netherlands, Republican, and F.C.A. Delegations, and from the United Nations Commission for Indonesia. All three Delegations agreed in advance to accept the proposals of the Debt Commission. It was further decided that on any points on which this Commission could not reach unanimity, the Delegations were ready to accept proposals of the representative of the United Nations Commission for Indonesia. The Debt Commission reached, however, unanimous agreement on all points (paragraph 59).

CHAPTER V.

Other procedural matters

30. The Steering Committee established a procedure to enable the representatives of minorities and "significant interests" to be heard. The Round Table Conference Agreement of 22 June had provided that representatives of minorities should be given the opportunity to express their views to the Conference on all matters deemed to concern their interests. On the other hand, the representatives of other significant interests, similarly wishing to express their views, were given the right to apply for such hearings, and a provision was made that the Conference could consider such applications.

31. The Steering Committee encountered few difficulties in drawing up the procedure for hearing minorities; it had to concern itself only with the European (Netherlanders) minority inasmuch as the Chinese and Arab minorities were represented by members, advisers and experts of the Republican and F.C.A. Delegations. At its second meeting, on 3 September, the Steering Committee decided to ask the Netherlanders minority group to communicate the subjects on which it wished to be heard. The Steering Committee also established, at the same meeting, a sub-committee to study the procedure for the implementation of articles 8 and 9 of the Rules of Procedure (hearings of minorities and significant interests). This sub-committee considered the list prepared by the Netherlanders minority group, and made recommendations on which subjects this group should be heard.

At its fifth meeting, on 13 September, the Steering Committee decided to approve these recommendations, and this decision was communicated to representatives of the Netherlanders minority group on the same day. (appendix III)

32. On 21 October, the representatives of the Netherlands minority group complained that thus far they had been heard only on the question of nationality and citizenship, and that they had not been given opportunity to express their views on other subjects mentioned in the decision communicated to them. Consequently the Chairman of the Steering Committee requested all committees, sub-committees and sections of the Conference to implement the previous decision of the Steering Committee concerning the hearing of the Netherlands minority, as far as this was still possible in view of the advanced stage of the work of the Conference.

On 1 November, representatives of the Netherlands minority group informed the Chairman of the Round Table Conference that they could not attend the final Plenary Meeting of the Conference. They stated that their group had been excluded from any direct influence on the decisions to be taken by the Conference on matters of concern to them; they wished, therefore, to avoid any impression, which might be created by their presence in the Plenary Meeting, that the agreements approved by that meeting were reached in a manner satisfactory to the Netherlands minority. The Chairman of the Conference, however, expressed the opinion that the Conference had given due consideration to the point of view of the Netherlands minority.

33. The Conference encountered greater difficulties in implementing the provision authorising it to consider requests for hearings on behalf of "other significant interests". The Steering Committee, at its second meeting, on 3 September, established a sub-committee to deal in a preliminary manner with this question (see paragraph 31). This sub-committee, while reaching conclusions on the manner in which representatives of "significant interests" should be heard, (appendix IV), was not able to reach agreement on the question

/whether



whether the requests for hearings received so far by the Conference should be considered as emanating from "significant interests",<sup>(+)</sup>

34. The Republican and F.C.A. representatives in the sub-committee contended, inter alia, that these requests need not be taken into consideration since they emanated from territories and population groups which were sufficiently represented by the two Indonesian Delegations. Moreover, the F.C.A. representative maintained that there could be no other constitutional organisation, outside the Republic and the territories cooperating within the F.C.A., which might assert to represent an Indonesian territory in the Round Table Conference. The Netherlands representative, on the other hand, considered that the avowed democratic policy of the Round Table Conference imposed an obligation to hear all requests of population groups wishing to claim their right of self-determination. The Netherlands Delegation definitely considered Twapro and KKM as well as representatives of the "TBA-territories" in Sumatra<sup>(+)</sup> as "significant interests"; they regarded them as requesting a hearing on the basis of the right of self-determination of peoples and not as political parties.

35. At the Steering Committee meeting of 9 September the parties maintained their positions and no agreement could be reached on the procedure. The parties thereupon turned to the Commission for assistance.

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(+) Such requests were received from a number of sources, including :  
a) Twapro (Twelfth Province), K.K.M. (Constitutional Committee Minahassa) and P.T.B. (Association for Great East), organisations striving for an autonomous status and a special constitutional position of the territory of Minahassa in North Celebes, as well as of some other smaller islands;  
b) Representatives from the "T.B.A. (Territoriaal Bestuurs Adviseurs) Territories" in Sumatra (Djambi, Tapanuli, Benkulen, Lampongs, Minangkabbau, Siak, Indragiri and Pagaralam, all under Republican control prior to 19 December 1949), who requested for these territories autonomous status, either as self-governing districts, or as part of the South Sumatra State, but outside of the Republic of Indonesia.

At the meeting of 13 September, the Chairman of the Commission stated that there would be general agreement that the work of the Steering Committee should not be unduly delayed on account of the question of hearings of "significant interests". The question should therefore be referred back to the sub-committee with instructions to proceed on the lines of a compromise solution; this could be, for instance, that the sub-committee would hear all persons or groups contending to represent "significant interests" and would furthermore examine documents produced by such representatives. On the basis of those hearings and documents, the sub-committee would be in a position to evaluate each case on its merits. It could then make recommendations to the Steering Committee whether further hearings should be granted to the groups in question in other organs of the Conference. By this procedure, all those claiming to represent "significant interests" would be given an equal opportunity to present their case and, at the same time, the progress of the Conference would not be impeded, as only cases recommended by the sub-committee, after screening, would be heard by other organs of the Conference.

36. The Netherlands Delegation accepted this proposal of the Commission; the Republican and the F.C.A. Delegations did likewise, but with the reservation that their acceptance should not be interpreted as recognition of the claim of the applicants either to represent "significant interests" or to be granted hearing on the basis of the right of self-determination. The Steering Committee thereupon proceeded to set up a special committee for hearing the Representatives of "significant interests" and requested this committee to prepare its own rules of procedure. This committee (which became sub-committee II of the Steering Committee) could not agree on a draft text, and, when the Steering Committee considered the question on 3 September, further differences arose among the delegations.

In order to overcome these difficulties, the Commission was invited to join sub-committee II. This sub-committee then, with the assistance of the Commission, prepared a revised draft of rules of procedure which were approved by the Steering Committee in its meeting of 4 October (appendix V ).

37. The hearings in sub-committee II began on 10 October; all those who had presented themselves as representing "significant interests" were granted opportunity for a hearing. The Representatives of the P.T.B., K.K.M., and Twapro<sup>(+)</sup>, however, refused to be heard by this Sub-Committee : they considered themselves entitled to participate fully in the Conference as delegations democratically appointed by populations wishing to give effect to their right of self-determination; therefore, they objected to a procedure whereunder they felt they were being required to justify before an intermediate committee their right of participation.

38. Sub-committee II subsequently recommended that the representatives of "T.B.A. territories"<sup>(+)</sup> be given opportunity to state their views to the section of the Political and Constitutional Affairs Committee dealing with the right of self-determination of people (paragraph 39 ); the representative from Siak should further be given opportunity to state his views before the Committee dealing with contracts with self-governing regions<sup>(++)</sup> (paragraph 39). Dr. Anas, who claimed to represent the population of Sumatra's West Coast, was authorised by the sub-committee to present his views in writing only as he was unable to produce credentials from a representative body.

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(+) See footnote on page 20

(++) Territories in Indonesia, of which the rulers (Sultans, Radjas) had at one time accepted the suzerainty of the King of the Netherlands; these rulers still retain certain administrative powers, specified in contracts with the former Governor-General of Indonesia.

## S E C O N D   P A R T

### Achievements of the Conference

#### CHAPTER VI

#### Political and Constitutional Issues

39. The Committee for Political and Constitutional Affairs established three sub-committees. Sub-committee I in turn was divided in three sections, which dealt respectively with : the provisional Constitution of the Republic of the United States of Indonesia, nationality and citizenship, and the right of self-determination; New Guinea; and contracts with self-governing regions<sup>(+)</sup>. Sub-committee II drafted the Statute of the Netherlands-Indonesian Union, the Charter of transfer of sovereignty and provisions for exchange of High Commissioners. The last item was also considered by sub-committee III which, in addition, dealt with questions relating to foreign relations.

#### a.- Provisional Constitution of the Republic of the United States of Indonesia

40. In the Inter-Indonesian Conference held from 22 July to 2 August 1949 in Jogjakarta and Batavia, representatives of the Republic of Indonesia and of the Federal Consultative Assembly agreed on the principles of the proposed Constitution of the "Republic Indonesia Serikat" (Republic of the United States of Indonesia). On the basis of these principles, the two Indonesian Delegations to the Round Table Conference prepared a text of the provisional Constitution.

When this text, as prepared and initialed by the leaders of the Indonesian Delegations, was presented on 31 October to the Steering Committee, the Netherlands Delegation expressed its admiration for the work accomplished.

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(+) See footnote on page 20.

The full text of the provisional Constitution is attached as appendix VI.

b.- Transfer of sovereignty

41. The Charter of the transfer of sovereignty provides that the Kingdom of the Netherlands unconditionally and irrevocably transfers complete sovereignty over Indonesia to the Republic of the United States of Indonesia, and thereby recognises the Republic as an independent and sovereign state. The Republic of the United States of Indonesia in turn accepts such sovereignty on the basis of the provisions of its Constitution which has been brought to the knowledge of the Kingdom of the Netherlands (paragraph 40 ).
42. Directly conflicting viewpoints were maintained, however, between the parties as to whether the transfer of sovereignty over Indonesia should also include the Residency of New Guinea. It became apparent that in view of the important factors which should be taken into account in settling this question, and the limited research which had been completed regarding the problems involved, the New Guinea issue could not be settled in time to permit the Round Table Conference to conclude successfully within the agreed time limit. Finally, as a compromise, the United Nations Commission for Indonesia, considering the heavy tasks with which the Union Partners would initially be confronted, proposed that the status quo of the Residency of New Guinea should be maintained, continuing under the Government of the Netherlands; with the stipulation, however, that within a year from the date of transfer of sovereignty, the political status of New Guinea should be determined, and the dispute on this matter terminated, through negotiations between the Republic of the United States of Indonesia and the Netherlands. The parties agreed to this solution, which was formulated as article 2 of the Charter of the Transfer of Sovereignty. This Charter also provides that the transfer of sovereignty shall take place at the latest on 30 December 1949 (appendix VII).

c.- Union Statute

43. The parties had been at variance from the outset as to the provisions of the Statute of the Netherlands-Indonesian Union. In the opinion of the Republican and F.C.A. Delegations, the Union Statute should have the character of an international treaty and, whenever matters of common concern required attention, voluntary cooperation should be effected through conferences of ministers of the two Partners. The Netherlands Delegation, on the other hand, while agreeing that the Union would be constituted by two states which were fully independent and sovereign, contended that the Union must assure close collaboration by means of permanent organs uniting the Partners under the Crown. This basic difference prevented the sub-committee from making progress on any aspect of the question of the Union.

44. The main points at issue were subsequently taken up by the Steering Committee and discussed by its members at informal talks at Namur on 16/18 September 1949 (paragraph 26). In these talks, which were held in the presence of the Commission, agreement in principle was reached among the leaders of the Delegations on the general structure of the Union and on the status of the Head of the Union. A working group of sub-committee II then proceeded with the further elaboration and drafting of the relevant articles. In view of the difficulties encountered by this group, the Commission's assistance was sought, and the joint efforts resulted in agreement being reached on all points of the Union Statute.

45. The Statute provides that the Netherlands-Indonesian Union effectuates the organised cooperation between the independent and sovereign Partners on the basis of free will and equality in status with equal rights. This cooperation aims at the promotion of common interests in the fields of foreign relations and defence and, as far

as necessary, finance, and also in regard of subject of an economic and cultural nature. The Partners undertake to base their form of government on democracy, to aim at an independent judiciary, and to recognise fundamental human rights and freedoms, as enumerated in an appendix to the Statute.

The Head of the Union effectuates the spirit of voluntary and lasting cooperation; at the head of the Union shall be H. M. the Queen of the Netherlands and Her lawful successors.

The aims of the Union shall be implemented by a conference, to be held at least twice a year, of ministers designated by, and responsible to, the respective Partners.

The Partners also agree to effectuate good contact and regular cooperation between their two Parliaments.

The Union is served by a permanent secretariat; two Secretaries-General are appointed, one by each Partner; these officials have charge of the secretariat on the basis of yearly rotation.

It was agreed that all decisions in the Union shall be taken by common agreement. The decisions of the Conference of Ministers enacting joint regulations require ratification by the two Parliaments; the Head of the Union shall state that agreement exists, and the joint regulation shall thereupon be promulgated in the official statute books of each of the Partners. The Head of the Union may likewise state, upon request of the Conference, that agreement exists between the two Partners on other decisions of the Conference of Ministers.

A Union Court of Arbitration is established for the settlement, in the name of the Head of the Union, of legal disputes arising out of the Union Statute, of other agreements between the Partners, or of joint regulations. The composition of the Court is based on parity, the chairmanship rotating yearly between Indonesian and Netherlands members; its decisions are taken by majority of votes. If the votes are equally divided, the Court shall request the President of the

/International

International Court of Justice, or another international authority, to appoint, with the rights of an ordinary member, a special member of a different nationality. The Partners undertake to comply with, and to implement, the decisions of the Union Court of Arbitration.

To further their interests, the Partners shall appoint High Commissioners, who will be granted diplomatic status with rank of Ambassador. Further provisions concerning the exchange of High Commissioners are regulated by exchange of letters (appendix VIII).

The Union Statute embodies, in special agreements appended thereto, provisions regarding foreign relations (paragraph 48 ), defence (paragraph 91 ), financial and economic relations ( Chapter VII), and cultural relations (Chapter IX). The Statute also contains provisions concerning citizenship (paragraph 56 ).

The parties agree that the Union Statute, as well as agreements between the Partners, and joint regulations, shall prevail in case of conflict with the laws of the Partners, and that the Statute as well as any further agreements or joint regulations may be registered with the United Nations ( for text see appendix IX ).

#### d.- Foreign Relations

5. Under this item, sub-committee III of the Political and Constitutional Committee discussed the following matters :

- (a) Extent to which the Republic of the United States of Indonesia would be prepared to assume rights and obligations resulting from treaties which were concluded by the Netherlands, and which relate to Indonesia;
- (b) coordination in foreign policy;
- (c) competence of the Union to participate in its own name in international legal intercourse;



- (d) mutual consultations before either of the Union Partners concludes a treaty involving the interests of the other;
- (e) joint diplomatic representation of the Union Partners;
- (f) mutual promotion of the interests of Union Partners in diplomatic intercourse;
- (g) foreign service personnel.

47. The parties agree that the rights and obligations of the Kingdom of the Netherlands resulting from treaties and international agreements, further specified by mutual consultations, will be taken over by the Republic of the United States of Indonesia if, and in so far, as they are applicable to its jurisdiction. The Republic of the United States of Indonesia reserves its rights not to become a party to treaties and agreements other than those specified (paragraph 50).

It is also agreed that in principle all Indonesians serving, or being trained, in the Netherlands foreign service shall be taken over by the Republic of the United States of Indonesia.

48. Agreement was also reached that the Union Partners should aim at the best possible coordination of their foreign policy and consult each other to that effect. In particular they will without previous consultations neither conclude any treaty, nor perform any other international legal act, if the interests of the other Partner are involved.

Furthermore, should one of the Partners have accredited no diplomatic representatives to some foreign power, its interest shall be promoted preferably by the diplomatic representative of the other Partner.

The questions of joint diplomatic representation of the Union and its competency to participate in international legal intercourse in its own name were settled by a compromise proposal from the United Nations Commission for Indonesia. This proposal provides that the Union shall effectuate cooperation in the field of foreign

relations, and that where both Union Partners feel it in their interest, the Conference of Ministers can provide for joint or common representations in international intercourse (appendix X).

(e) Transitional Measures

49. The Agreement on Transitional Measures <sup>provides</sup> for the transfer ipso jure of all rights and obligations of Indonesia to the Republic of the United States of Indonesia, unless otherwise stipulated by agreements included in the Union Statute. In providing for legal continuity, this Agreement stipulates that all provisions in existing laws and regulations relating to Indonesia, and which are compatible with agreements reached at the Conference, are to remain in force until revoked or modified by the competent organs of the Union Partners, respectively.

50. Included among the rights and obligations transferred are those resulting from treaties and international agreements (paragraph 47 ), and from contracts concluded by the Governor-General with self-governing regions in Indonesia.<sup>(+)</sup> The rulers of these regions are released from their oath of allegiance to the Netherlands Crown, while the Republic of the United States of Indonesia in turn recognises the special position of their territories.

The Agreement on Transitional Measures further provides for realisation of the right of self-determination of peoples (paragraph 53 ). Provisions for allocation of citizens (paragraph 55 ), for withdrawal of armed forces ( Chapter VIII ), and provisions concerning the legal status of civil servants (paragraph 98 ) are embodied in agreements attached.

51. Finally, the Kingdom of the Netherlands agrees to promote the membership of the United States of Indonesia in the United Nations (appendix XI).

/ (f)

(+) See footnote on page 20.

f.- Right of Self-Determination

52. The question of the right of self-determination, the principle of which had been accepted by the parties since the Linggadjati Agreement, came up for discussion only in the later stage of the Conference. This was in part due to the fact that consideration of the question was dependent upon the formulation of the relevant article of the Provisional Constitution of the Republic of the United States of Indonesia. This Constitution, in fact, made provision (article 43) only in respect of internal right of self-determination, that is, the right of populations to determine, by democratic procedure, the status which their respective territories shall occupy within the federal structure of the Republic of the United States of Indonesia.

No provision, however, was made by the Constitution in respect of external right of self-determination, that is, the right of the populations to disassociate their respective territories from the Republic of the United States of Indonesia. This right, to which the Netherlands Delegation attached particular importance, and on the basis on which they had made earlier commitments, was discussed at length; but the parties were unable to come to agreement until the last day of the Conference. At that time, they accepted a compromise solution formulated by the United Nations Commission for Indonesia on the basis of principles to which the parties had given adherence in earlier agreements.

53. This solution, which is embodied in Article two of the Agreement on Transitional Measures (paragraph 50), provides that a plebiscite will be held among the population of those territories, indicated by the Government of the Republic of the United States of Indonesia upon the recommendation of the Commission or another organ of the United Nations, to determine whether such territories shall form separate

component states; these plebiscites shall be held under supervision of the United Nations Commission for Indonesia (or another United Nations organ). Each component state, whether formed by the above procedure or otherwise, shall then be given the opportunity to ratify the final Constitution of the Republic of the United States of Indonesia; in case a component state decides not to ratify, it shall be allowed to negotiate a special relationship with the Republic of the United States of Indonesia and the Kingdom of the Netherlands (appendix XI ).

g.- Nationality and Citizenship

54. Questions of nationality and citizenship were considered in terms of two major aspects : determination of nationality, assignment of citizens and the right of option; and mutual rights of citizens of the Union Partners.
55. The Agreement on Transitional Measures embodies provisions relating to the first aspect (paragraph 50). This Agreement provides that the Netherlands retain Netherlands nationality, but are entitled to declare preference for Indonesian nationality if they were born in Indonesia or had resided there for six months. Netherlands subjects who are non-Netherlands, belonging to the autochthonous population of Indonesia, as well as all citizens of the Republic of Indonesia, assume in principle Indonesian nationality. They are, however, entitled to opt for Netherlands nationality if born or residing outside Indonesia. Special provisions are made with regard to Netherlands subjects, non-Netherlands, either belonging to the autochthonous population of Indonesia and living in Surinam or the Netherlands Antilles, or who are of origin other than Indonesian. The agreement further makes provision regulating the exercise of the right of option (appendix XII).

56. Mutual rights of citizens of the Union Partners are embodied in the Union Statute (paragraph 46), which provides that, with some exceptions, the nationality of citizens of one Partner shall not constitute an objection against serving officially within the jurisdiction of the other Partner; and that the special interest of nationals and corporate bodies of the respective Partners shall be fully appreciated in the exercise of civil rights and social activities. However, nationals and corporate bodies of either of the Partners shall on no account receive within the jurisdiction of the other Partner treatment less favourable than that accorded to citizens and corporate bodies of a third state (appendix IX). In this connection, it should be noted that the question of the "national treatment" and most-favoured-nation treatment in the economic field was discussed also by the Committee for Financial and Economic Affairs of the Conference (paragraph 74).

## CHAPTER VII

### Financial and Economic Problems

7. The Committee for Financial and Economic Affairs established four sub-committees to deal, respectively, with : debts and mutual commitments; real rights, investments, and principles of economic policy in general; commercial treaties; and monetary questions.

#### a.- Debt settlement

8. All parties agreed that the transfer of sovereignty entailed, as a counterpart of the transfer of rights, the assumption of liabilities, but there was considerable difference among the parties on the extent to which the Republic of the United States of Indonesia should take over the debts of Indonesia. According to the Netherlands Delegation, the successor state should assume the debts without limitations. The Indonesian Delegations, on the other hand, while agreeing that the Republic of the United States of Indonesia should assume all debts contracted before 1942, as well as those subsequently contracted and used entirely in the interests of the Indonesian people, contended that the Republic of the United States of Indonesia must not be burdened with the extraordinary military costs in Indonesia since 1945. Although each party made considerable concessions towards the other's point of view, no agreement could be reached; neither could the Steering Committee, which considered the question at its meeting at Baarn on 2 October, (paragraph 26) find a solution. Finally, after still other attempts of settlement had failed, the parties referred the question to a "Debt Commission" (paragraph 29) which had the task of proposing the amount of the debt to be assumed by the Republic of the United States of Indonesia at the time of the transfer of sovereignty. It was further decided that in determining this amount, due consideration would be given to expenditures which the Debt Commission might attribute to military action.

9. In accordance with the proposal of the Debt Commission, the Government of the Republic of the United States of Indonesia assumes,

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as of the date of transfer of sovereignty, responsibility for both interest and amortization of the consolidated debt to the Netherlands in the amount of 871 million guilders and for the debt to third countries in the amount of 420 million guilders. The Government of the Republic also takes over rights and liabilities under existing agreements for certain items of the external floating debt, to the maximum of 268.5 million guilders.

These items include the obligations assumed, and assets acquired, with regard to Indonesia by the Bretton Woods Agreements.

The Debt Agreement involves reduction of the external debt due to the Netherlands by two billion Netherlands guilders; in arriving at this figure, the Debt Commission gave due consideration to expenditures which it attributed to military action.

The internal debt at the date of transfer of sovereignty is also to the charge of the Republic of the United States of Indonesia (appendix XIII, section D).

b.- Regulations concerning the monetary system and issue of currency in Indonesia.

60. This question was closely connected with the problem of mutual liabilities and debts. The Netherlands Delegation contended that the important financial commitments to be assumed by the Republic of the United States of Indonesia in favour of the Netherlands created for the latter a direct interest in the future financial policy of the Republic; to protect its position as creditor, the Netherlands was entitled to guarantees. The Indonesian Delegations, on the other hand, considered that such guarantees would be incompatible with the sovereignty of their state. They were, however, prepared to enter into consultations with the Netherlands Government on monetary matters of mutual concern.

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61. After prolonged discussions, an agreement was reached, stipulating that the Netherlands and the Republic of the United States of Indonesia shall aim at sound monetary systems based on the principles expressed in the Bretton Woods Agreement, and further providing for consultation between the two Governments on a number of measures in the monetary field.

Such consultations shall take place prior to alterations of the exchange rate of the Netherlands or Indonesian monetary units and on regulations of mutual interest in the field of foreign currency policy. It was further agreed that, as long as the Republic of the United States of Indonesia has liabilities towards the Netherlands, the Republic will in general consult the latter when intending to take measures involving Netherlands interests in the monetary and financial field; this provision would apply inter alia to the amending or superseding of the Coinage Act, and of the regulations concerning the Bank of Issue and, prior to the enactment of the new Bank of Issue Act, to the appointment and discharge of the president and directors of the Bank (appendix XIII, section B).

c.- Foreign Exchange Transfers

62. Another important aspect of the future monetary relations between the Netherlands and the Republic of the United States of Indonesia was the regulation of convertibility of certain payments into Netherlands currency.

63. In accordance with the Financial and Economic Agreement, the Republic of the United States of Indonesia will allow those enterprises, constituting an active Netherlands investment, to effect the following transfers:

- (1) payment for necessary expenditures in the Netherlands;
- (2) contributions to funds and other social provisions for their Netherlands personnel;
- (3) interests and amortisation of loans;
- (4) annual profit and depreciation.

/Transfers



Transfers of dividends on passive Netherlands investments in Indonesia will also be allowed.

Furthermore, the Republic of the United States of Indonesia will allow for transfers to the Netherlands of the following payments: premiums paid by Netherlands to life insurance companies, and contributions for their benefit to pension, invalidity, and other social funds; savings and monies for support of dependents of Netherlands working or having worked in Indonesia, as well as other periodical social payments for them. The Republic of the United States of Indonesia, however, reserves the right to impose, after previous consultation with the Netherlands, such restrictions regarding transfers to the Netherlands as may be necessary in view of the foreign exchange position of Indonesia.

64. With regard to transfers of indemnities for foreign properties expropriated or nationalised by the Republic of the United States of Indonesia (paragraph 69), the parties, with the Commission's assistance, reached agreement that such transfers shall take place within three years at the rate of exchange of the date on which the expropriation or nationalisation becomes effective. In the event that the Republic of the United States of Indonesia considers it impossible to transfer these indemnities within three years, it will make this known before undertaking nationalisation, and an arbitration committee shall then make a binding decision as to whether, and to what extent, an exception can be made to this three year limit (appendix XIII, section B).
65. The parties also agreed by exchange of letters, that existing regulations with regard to hard currency credits shall continue until new regulations are agreed upon. The regulations for hard currency transfers under the General Shipping Agreement will, however, continue in force only until March 1950 (appendix XIV).

d.- Cooperation in the field of  
commercial policy

66. From the outset, all parties shared the view that cooperation in matters concerning commercial policy and external trade would be to their mutual advantage. Agreement was reached that, on the basis of the principles of their independence and sovereignty, both countries will promote voluntary cooperation in their foreign commercial relations, by close contact and continuous consultation. Each of the parties will take into consideration the economic interests of the other; in addition, the Republic of the United States of Indonesia will take into account the considerable financial and economic interests which the Netherlands has in Indonesia. Each party retains exclusive authority to regulate its own foreign relations, and the ultimate right to dispose of its products; at the same time, the Partners undertake to strive for joint commercial agreements with third States, which, once concluded, can not be altered except by mutual consultations. In negotiating such agreements, the respective delegations of the two Union Partners will act in coordination, and whenever feasible, one negotiator shall be appointed on behalf of both,

The agreement also provides that those commercial and monetary agreements concerning Indonesia, which are in force at the time of the transfer of sovereignty, shall be taken over and implemented by the Republic of the United States of Indonesia.

67. The parties agree on a mutual preferential treatment in their commercial relations. The principle is expressed that the system of mutual preferential treatment will not be contrary to international agreements; at the same time, it should be to the advantage of both the Netherlands and Indonesia. They shall exchange lists of their import requirements; they shall also

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reserve export goods for necessary allotments to each other.

Agreements regulating in detail the mutual commercial relations between the Netherlands and Indonesia shall be periodically drawn up. The modus vivendi (trade agreement) for the period from 1 October 1949 to 1 October 1950 has been provisionally accepted by the delegations of the parties to the Round Table Conference .

68. The parties also stipulate that they will continue payments to each other by means of a commercial account, in accordance with existing regulations, and that they will, respectively, appoint commercial representatives in the Netherlands and Indonesia. Finally, it is agreed that the Netherlands and the Republic of the United States of Indonesia may in future appeal to each other for assistance and cooperation, and that such assistance shall be granted whenever possible (appendix XII, section C).

e.- Real rights and investments

69. It is agreed that the Republic of the United States of Indonesia shall acknowledge the rights, concessions and licences lawfully granted by the Netherlands Indies Government<sup>(+)</sup> and still valid on the date of transfer of sovereignty, and that the rightful claimants shall remain, or shall be restored, in the factual exercise of their rights. The Government of the Republic of the United States of Indonesia, however, reserves the right to investigate those concessions, rights and licences of basic economic importance for Indonesia, which were granted after 1 March 1942. Special provisions are also made in this connection with regard to : estate grounds occupied by the population and converted for planting food crops, certain private properties requisitioned for government services, so-called conversion rights in the Residencies of Jogjakarta and Surakarta, and public utility enterprises. It is further provided.

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(+) See footnote on page 52.

that all previously granted rights, concessions and licences can be affected only in the general interest and along the lines of amicable settlement with rightful claimants. If such settlement can not be achieved, expropriation in accordance with legally prescribed procedure can take place, but only against previously received, or guaranteed, indemnification; the amount of indemnification is to be fixed by court of law on the basis of the real value of the expropriated property. Provisions shall also be made to extend rights, concessions and licences which could not be exercised in consequence of the war and subsequent abnormal conditions.

Any extension, as well as renewal or granting of rights, concessions and licences shall be made under conditions justifying long term investments.

70. The parties agreed in general that the same conditions shall apply to Netherlands and other foreign investments as to Indonesian enterprises of similar nature and size, all of which must submit equally to the laws of the country. The Republic of the United States of Indonesia, however, reserves the right to regulate for the protection of national interests or of economically weak groups. Furthermore, the parties agree that foreign-owned enterprises having their field of activity primarily in Indonesia should have in Indonesia representatives with full powers. There are also provisions for the training and employment of qualified Indonesian personnel by foreign enterprises (appendix XIII, section A).

The parties also agreed that further discussions on subjects relating to shipping and aviation shall take place after the conclusion of the Round Table Conference.

f.- Fundamental principles of future  
economic policy

71. The Republic of the United States of Indonesia will be guided in its economic policy by fundamental principles embodied in agreements made at the Round Table Conference; those agreements had been drawn up on the basis of relevant conclusions of the Inter-Indonesian Conference as well as suggestions made by the Netherlands Delegation. This economic policy will aim at improving the material wellbeing of the Indonesian peoples and at raising their standard of living.
72. Furthermore, in order to promote the resumption of long-range economic activity, the Republic will provide safeguards necessary for successful and profitable operation of commercial and other enterprises; the fiscal, social, and other charges on these enterprises will be kept within such limits as to permit profits covering renewals, amortizations, and reserves, as well as a reasonable return on invested capital. Measures will be enacted to prevent double taxation, while freedom of enterprise, commerce and monetary intercourse will be restricted only by law.
73. On the other hand, these enterprises are to aim at certain social objectives : the institution of organised consultation between employers and employees; promotion of community of interest among the employers, workers and landowners; improvement of housing; and other social provisions for workers. The parties also agree that Indonesian capital will be given, within commercially justifiable limits, opportunity for participation in established enterprises (appendix XIII, section A).

g.- Most-favoured-nation treatment

74. Differences had existed among the parties whether, or to what extent, nationals and corporate bodies of one Union Partner should be granted national treatment in the economic field by the other. As

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the parties were unable to come to a solution, they turned to the Commission for assistance. The Commission's compromise proposal, to which the parties agreed, was that Netherlands nationals, corporate bodies, products, ships and other objects are to enjoy in Indonesia treatment no less favourable than that granted any third country. Moreover, the Republic of the United States of Indonesia is to take fully into account the special interests of Netherlands nationals and corporate bodies within Indonesia, and there shall be no discrimination against these interests; this provision shall not prejudice the right of the Republic of the United States of Indonesia to take measures necessary to protect national interests or economically weak groups.

On the other hand, the principle is expressed that nationals of third countries shall enjoy equal rights in participation in trade with Indonesia and in that country's economic activities and development (appendix XIII, section A).

CHAPTER VIII  
Military Affairs

75. Under the terms of the 22 June Agreement, the Conference had to consider two questions : the military agreements and the withdrawal of Netherlands forces.

The withdrawal entailed, however, considerable technical difficulties, and the Military Affairs Committee of the Conference decided therefore to establish several work groups to consider : military technical problems connected with the withdrawal of land forces, and assistance in the building-up of the fighting forces of the Republic of the United States of Indonesia; financial-economic questions in the military field; social aspects of the reorganisation of the Royal Netherlands-Indonesian Army; technical problems connected with the withdrawal of the Royal <sup>Netherlands</sup> Navy, and possibilities of assistance to be given in the building-up of the Navy of the Republic of the United States of Indonesia; and military aviation affairs. It was understood that the Conference would not deal with questions relating to the implementation of the cease-hostilities order.

76. The following general principles formed the basis for the military agreements :

- (a) responsibility for internal security and external defence of Indonesia would rest with the Government of the Republic of the United States of Indonesia after the transfer of sovereignty;
- (b) Netherlands fighting forces would be withdrawn from Indonesia after the transfer of sovereignty;
- (c) pending their shipment, these troops should not be used for military operations except if such operations were carried out at the request of the Government of the Republic of the United States of Indonesia;

- (d) members of those fighting forces which had been organised and equipped by, or were under the authority, of the Netherlands-Indonesian Government (Royal Netherlands Indonesian Army - KNIL - and so-called Federal Units) could in principle be inducted into the fighting forces of the Republic of the United States of Indonesia; their material would be transferred in an efficient way, to be determined by mutual consultations;
- (e) military territorial responsibility would be transferred in an orderly manner by cooperation between Netherlands and Indonesian authorities;
- (f) a Netherlands military mission would be sent to Indonesia to assist the Republic of the United States of Indonesia in building up its fighting forces.

77. On several important issues, the positions of the parties differed considerably. These issues included : the time limit for withdrawal of Netherlands troops, the areas where they should assemble, and their freedom of action, pending shipment; the question whether Netherlands warships in Indonesia would be transferred to Indonesian ownership or operate under Netherlands flag and command; and the future ownership and command of naval establishments. Until the last stages of the Conference, important aspects of these problems remained unsettled; all of them were finally solved in accordance with compromise proposals presented by the United Nations Commission for Indonesia.

78. Provisions concerning military affairs were included in the respective regulations for the Netherlands Naval, Land and Air Forces in Indonesia after the transfer of sovereignty; these regulations form an annex to the Agreement on Transitional Measures (paragraph 50).



a.- Regulations concerning naval forces

79. The parties agree that the Netherlands naval forces should normally be withdrawn from Indonesia within one year; the Netherlands Government, however, is prepared, at the request of the Republic of the United States of Indonesia and for a limited period of time, to lend aid in the defence of Indonesia at sea and in the building-up of the navy of the Republic of the United States of Indonesia.

Pending withdrawal, the Royal Netherlands Navy shall assist the naval organs of the Republic of the United States of Indonesia in their patrol duties, and shall perform certain other special tasks.

80. The Netherlands Government is prepared to transfer, under conditions to be mutually agreed upon, to the property of the Government of the Republic of the United States of Indonesia, two corvettes at the date of the transfer of sovereignty; later, two additional corvettes and other ships and, one year after the transfer of sovereignty, one destroyer; provisions are also made for transfer of naval aircraft. The naval establishments in Indonesia, with exception of the Surabaya base, shall, after common consultations, be gradually transferred to the navy of the Republic of the United States of Indonesia, on condition that such establishments continue to function on behalf of both the navy of the Republic and the Royal Netherlands Navy present in Indonesia.

81. The units of the Royal Netherlands Navy in Indonesia will be under the command of a Netherlands Flag Officer; he is, however, responsible to the Government of the Republic of the United States of Indonesia, when commanding operations at the latter's request. Units of the Royal Netherlands Navy will execute such operations under the Netherlands flag and, in addition, will fly from the yard the flag of the Republic of the United States of Indonesia. While awaiting withdrawal, the Royal Netherlands Navy will perform in Indonesia no operational tasks on behalf of the Netherlands.

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82. At the transfer of sovereignty, the naval base of Surabaya passes to the Republic of the United States of Indonesia, but will serve ships of the Royal Netherlands Navy. An officer of the Royal Netherlands Navy will, upon recommendation of the Netherlands Government, be appointed by the Government of the Republic of the United States of Indonesia as commander of the base, responsible directly to the Minister of Defence of the Republic. The commander is charged with maintaining order and security within the base, and will have at his disposal a police force of the Government of the Republic of the United States of Indonesia, selected in cooperation with him (appendix XV).

b.- Regulations concerning land forces

83. On the basis of the general principles mentioned in paragraph 76, the parties agreed that land forces under Netherlands command will, pending withdrawal, be assembled in areas to be determined upon in mutual consultation. The armed forces under Netherlands command will, after the transfer of sovereignty, have the status of guests in the territory of a friendly government. They remain under the command of their own officers and will have liberty of movement within their areas; but to move outside these areas, will require a pass visa'd by a military authority of the Republic. While the Government of the Republic shall remain in general responsible for the maintenance of peace and order within these areas, peace and order among members of Netherlands armed forces shall be maintained by Netherlands military authorities. There are regulations with regard to bearing arms in public when off duty, guarding of encampments, application of the military penal code, and related matters.

/Shipment

84. Shipment of the Royal Netherlands Army from Indonesia shall take place within the shortest possible time; to that end, the Governments of the Kingdom of the Netherlands and of the Republic of the United States of Indonesia will cooperate with all available means. The Netherlands Government will keep the Government of the Republic informed of the provisions and efforts made in that regard, if technical difficulties should prevent full repatriation within six months. A Joint Technical Commission will be established to study the technical possibilities of repatriation, and the United Nations Commission for Indonesia, or its successor, shall be afforded the opportunity to cooperate in accordance with its terms of reference.
85. Members of armed forces, formed under the authority of the Netherlands-Indonesian Government, as far as they will be present in Indonesia at the time of transfer of sovereignty, shall have the free choice to enter into either the armed forces of the Republic of the United States of Indonesia, or the service of the Netherlands, or to be discharged under provisions for pensions and other benefits further specified by the agreement. The officer in charge of land forces under Netherlands command shall be responsible for such reorganisation, with due observance of directives jointly established by the Governments of the Netherlands and of the Republic of the United States of Indonesia. The transfer of these armed forces shall be made, as far as possible, on the basis of units; to the extent that units may be reorganised for this purpose prior to the transfer of sovereignty, members of such units will enter the armed forces of the Republic of the United States of Indonesia on the day following the transfer of sovereignty. The reorganisation shall take place within a period of six months as from the day of the publication of conditions for enlistment in the armed land forces of the Republic of the United States of Indonesia; the Royal Netherlands Indonesian Army (KNIL) shall cease to exist when this reorganisation has been completed.

The parties shall draw up in mutual consultation a plan which, as far as it can be reconciled with security and operational requirements, will provide for the gradual transfer of properties of the Royal Netherlands-Indonesian Army to the Republic of the United States of Indonesia by the end of the reorganisation period.

86. The expenses of the Royal Netherlands Army shall be chargeable to the Kingdom of the Netherlands; if, and in so far as these units serve the Government of the Republic of the United States of Indonesia at its request, their expenses shall be charged to that Government. The expenses of the Royal Netherlands-Indonesian Army (KNIL) in the period pending the reorganisation, as well as subsequent pensions and other social benefits of its personnel, are to be paid by the Republic of the United States of Indonesia. Materiel belonging to the Royal Netherlands Army (KL) or Air Force may be transferred to the Republic of the United States of Indonesia and paid for on conditions to be agreed upon (appendix XVI).

c. - Regulations concerning air forces

87. The parties shall aim at withdrawal, or reorganisation, of the Netherlands Air Forces in Indonesia within six months after the transfer of sovereignty, under provisions similar to those applying to the withdrawal and reorganisation of Netherlands naval and land forces. The Netherlands Government is prepared to assist the Government of the Republic of the United States of Indonesia in building up, training, and equipping its air force, by making available personnel and materiel, and by technical advice. The safety of Netherlands personnel employed at air bases commanded by officers of the Republic of the United States of Indonesia will be the responsibility of the Republic (appendix XVII).

/d. Military

d. - Military missions

88. The composition and tasks of the military missions to be exchanged by the Union Partners will be defined by their respective Governments after the transfer of sovereignty. A Netherlands military mission will, however, be established in Indonesia immediately after the transfer of sovereignty, to cooperate with the Republic of the United States of Indonesia in organising and training its fighting forces and to act as advisers on military matters.

89. A provisional agreement for three years has been made for such a mission; its composition will be determined in mutual consultation. Likewise, instructions for the personnel of the mission will be agreed upon between the Minister of Defence of the Republic of the United States of Indonesia and the head of the military mission. The members of the mission will continue to belong to the personnel of the Netherlands Fighting Forces, and the head of the mission, as well as some other members, will enjoy diplomatic immunity. The costs of the mission are to be borne by the Republic of the United States of Indonesia. Detailed provisions with regard to the functioning, organisation, administration, finances and social care of the mission are also agreed upon (appendix XVIII).

e.- Other transitional provisions

90. The parties agreed on provisions for tracing of graves, exhumation and reburial of those who fell in Indonesia, and on provisions for the foundation and maintenance of military cemeteries. Discussions will take place concerning the continuation of the tasks of the Royal Netherlands Navy, implementation of provisions of Navy Agreement, and withdrawal and reorganisation of the air force under Netherlands command.

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All these agreements/been formalised by exchange of letters, and are embodied in documents attached to the Covering Resolution of the Round Table Conference (appendix XIX).

/f. Cooperation

- Cooperation between the Union Partners  
in the field of defence

91. The Round Table Conference included in an agreement attached to  
(paragraph 45)  
the Union Statute/provisions for the future cooperation between the  
Netherlands and the Republic of the United States of Indonesia in  
the field of defence. This agreement foresees cooperation based on  
the principle that each of the Partners bears full responsibility for  
the defence of its own territory and that any joint regulations,  
which might be decided upon by the Union organs, will be independently  
implemented by each of the Partners within its own jurisdiction.  
Cooperation in the field of defence may take the form of assistance  
in training officers and specialised military personnel, making  
available personnel and material, as well as <sup>by</sup> providing for its  
maintenance and repairs. Such aid is to be given upon request of one  
of the Partners, and will be within the scope of the capacity of the  
other Partner, which however will take first into consideration its  
own requirements.
92. The Partners shall exchange military missions; neither of the  
Partners shall ask for, or accept, a military mission of a third  
power without consulting previously the other Partner. In the event  
that one of the Partners desires to purchase material outside its own  
territory for its fighting forces, it shall also ascertain by  
consultation in which way assistance may be given by the other Partner.  
Finally, the Partners agree to consult each other in the event of an  
imminent attack on both Partners or on one of them. Provisions  
concerning military law, requisitioning of civil airplanes and  
merchant/ships, secret material, compulsory military service, as  
well as future arrangements and detailed regulations on other  
military matters are also included in the agreement. Nothing in the  
agreement shall prejudice the rights and obligations of the Union  
Partners resulting from the Charter of the United Nations and from  
international regulations based thereon. (appendix XX).

## CHAPTER IX

### Cultural Affairs

93. Discussions in the Committee for Cultural Affairs of the Conference were devoted to general considerations on the form and nature of the future cultural cooperation between the Netherlands and Indonesia. The parties shared the same general views on the subject; they agreed that the cultural relations between the Republic of the United States of Indonesia and the Netherlands would have to be regulated on the basis of full freedom, free will and reciprocity; these relations should be universal in character and aim at the free development of the human mind.
94. As a result of the discussions, the Committee for Cultural Affairs drafted a Cultural Agreement, which is attached to the Union Statute (paragraph 45).

It is the desire of the Partners to assure and develop their mutual relations in the field of education, science and culture; to achieve this they will set up a joint committee, to which each Partner will appoint seven members. The two Partners will promote knowledge of the culture of each other, and the exchange of information in the cultural field. In general, they shall lend each other, upon request, assistance in the educational, scientific and cultural fields, including the exchange of professors, teachers and experts, and shall provide for scholarships.

Fullest possible freedom is to be allowed in the foundation of institutes of education, spiritual and social care, and cultural dissemination, and their maintenance by societies or private persons. Scientists of one Partner shall be given assistance to carry on research activities in the territory of the other.

The agreement also provides for the reciprocal admission of books and periodicals.

Finally, objects of cultural value, which had their origin in Indonesia and which passed into the possession of the Netherlands or Netherlands-Indies Government otherwise than by transfer of proprietary rights, shall be transferred to the Government of the Republic of the United States of Indonesia (appendix XXI).



CHAPTER X

Social Affairs

- 95 . When the Social Affairs Committee of the Conference had considered the problems with which it would be called upon to deal, it decided to discuss first the legal position of civil servants at the time of the transfer of sovereignty in Indonesia. The Committee left in abeyance the question when, and by what method, it would deal with other subjects of a social nature.
- 96 . On 28 October, the Netherlands Delegation drew the attention of the Steering Committee to the fact that the Conference would not have sufficient time to discuss any other subject in the social field; some of the most important issues connected with such subjects were, however, settled in other committees. The Netherlands Delegation therefore suggested that discussions with the Indonesian Delegations on the remaining issues in the social field could take place after the closing of the Round Table Conference.
- 97 . When discussing the legal position of civil servants and other government officials in Indonesia, the parties could not agree as to what guarantees should be established to safeguard, for a specified period, the legal positions of officials who entered the service of the Republic of the United States of Indonesia. After prolonged discussions, it became apparent that the parties could reach agreement only by avoiding <sup>the issue of</sup> guarantees. An agreement was then reached on the following basis :
- 98 . At the transfer of sovereignty the Government of the Republic of the United States of Indonesia accepts into its service all civil government officials, at that time employed by the Government of Indonesia, <sup>(+)</sup>
- (+)
- As reported in the Second Interim Report of the Committee of Good Offices (S/787) the Netherlands-Indies Government had been transformed on 9 March 1948 into the "Provisional Federal Government". This Government was, in turn, renamed "Government of Indonesia" in October 1948.

consequently, it assumes all rights and obligations, which the predecessor Government possessed at the time of transfer of sovereignty in respect of those officials, as well as of former government officials and their beneficiaries. For a period of two years as from the transfer of sovereignty, the Government of the Republic of the United States of Indonesia will refrain from taking any measures which would unfavourably affect the legal position of these government officials who have Netherlands nationality, and who will have been taken over from the service of the Government of Indonesia. At the same time, the Government of the Republic of the United States of Indonesia reserves the right to select and re-group those civil officials, but compensations for any premature termination of service without request, and through no fault, of the officials concerned, shall be borne by the Republic; in such cases, discharge provisions, further specified by a regulation attached to the agreement, shall apply (appendix XXII).

CHAPTER XI

Conclusion of Conference

99. The Conference reached agreement on all issues before it.
100. The decisions of the Conference were submitted by the Steering Committee to the closing Plenary Meeting in a single draft Covering Resolution, to which the documents, embodying the agreements reached at the Conference, were attached (appendix XXIII).
101. In this Covering Resolution, the parties recall that they had assembled at the Round Table Conference to bring about a just and lasting settlement of the Indonesian dispute as soon as possible by reaching an agreement among the participants concerning the ways and means to transfer real, complete and unconditional sovereignty to the United States of Indonesia in accordance with the Renville principles. They consider that this aim had been achieved in good cooperation, and that the United Nations Commission for Indonesia had given valuable assistance.
102. The results of the Round Table Conference are embodied in draft agreements and letters attached to the Covering Resolution. The agreements are : the Charter of Transfer of Sovereignty; the Union Statute, including appendices and special agreements on the principal subjects of future cooperation between the Union Partners; and the Agreement on the Transitional Measures, including special agreements on subjects requiring regulation as a consequence of the transfer of sovereignty. Several other issues have been settled by exchange of letters between the Chairman of the Netherlands Delegation on one side, and the Chairmen of the Republican and F.C.A. Delegations, jointly, on the other side. (appendix XXIV) This procedure accurately reflected the positions of the <sup>Indonesian</sup> delegations throughout the Conference : on all major issues, the Republican and F.C.A. Delegations had acted in coordination, presented common proposals, and taken identical views.

/103. The

The Resolution provides that the documents containing the decisions of the Conference shall be drawn up in the Netherlands and Indonesian languages, both texts being equally authentic. In addition, an official English text has been prepared, and shall prevail in case of divergent interpretation of the other texts.

By ratifying the Covering Resolution, the parties ratify the documents containing the results of the Round Table Conference. Such ratification shall be done on the one side by the Kingdom of the Netherlands and on the other side by the territories acceding to the Republic of the United States of Indonesia; ratification by a party shall become invalid if another party fails<sup>to</sup> ratify the Resolution. The agreements reached at the Round Table Conference shall come into force at the transfer of sovereignty.

Finally, the Resolution provides that the United Nations Commission for Indonesia or another United Nations Agency shall observe in Indonesia the implementation of the agreements reached at the Round Table Conference. Apart from this general provision, there are also special provisions concerning the functions of the United Nations in the implementation of the agreements reached at the Conference. It is provided that the United Nations Commission for Indonesia, or its successor, will be given opportunity to cooperate with the Joint Technical Commission to be established in connection with the repatriation of the Royal Netherlands Army from Indonesia (paragraph 84); that plebiscites to ascertain the wishes of the population with regard to the future status of their respective territories in the federal structure will be held only if recommended by a United Nations organ; and that a United Nations organ shall supervise such plebiscites (paragraph 53).

106. The final Plenary Meeting of the Conference convened on 2 November 1949, under the chairmanship of Dr. W. Drees. At this Plenary Meeting the Conference unanimously approved the Covering Resolution, and the agreements and letters attached thereto, as presented by the Steering Committee.
107. In expressing his approval, the first of the Delegations' speaker, Dr. Mohammed Hatta, Chairman of the Republican Delegation, stressed the historical importance of this day. The Netherlands was transferring complete and unconditional sovereignty to the Republic of the United States of Indonesia; however joy in Indonesia would be somewhat restrained by the fact that New Guinea remained a matter of dispute. The new Republic would be based on the Pantja Sila, or Five Basic Principles: "devotion to God, Humanity, Nationalism, Democracy, and Social Justice." To the people of Indonesia, the Union represented cooperation between East and West, and was the creation of cultural idealism. Dr. Hatta stated that the results of the Conference were to a great extent due to the untiring efforts of the United Nations Commission for Indonesia. He had felt particularly gratified at the way in which the United Nations Commission for Indonesia had performed its tasks of conciliation, and had at all times been prepared to answer requests for assistance with sound and statesmanlike compromise proposals which could be accepted by all Delegations. It was also a matter of great satisfaction to know that, through the Commission or through another body, the United Nations would continue to be present in Indonesia during the first, and most difficult, stages of the new state, carefully watching on behalf of the international community the faithful implementation of the agreements reached at the Round Table Conference. Dr. Hatta requested the Commission to convey the gratitude of the Government and Delegation of the Republic of Indonesia to the Security Council for its success in settling by peaceful means the Indonesian conflict.

108. H.H.Sultan Hamid II, Chairman of the F.C.A. Delegation, confined his remarks to military affairs; while the Netherlands forces would have to be withdrawn, it would be difficult for the armed forces of the Republic of the United States of Indonesia to carry out the various tasks alone in the beginning. Netherlands forces would therefore render assistance for maintaining law and order if requested by the Republic. However, with the necessary tact and goodwill, there was every hope that the reorganisation of the defence of Indonesia would proceed smoothly. Sultan Hamid in his turn expressed his Delegation's gratitude for Netherlands hospitality and for the Commission's highly valued assistance during the Conference, and concluded with an appeal for confidence on the part of the Netherlands and the world in the new state's ability to maintain law and order.
109. As had been arranged in advance, the third speaker, Dr. van Maarseveen, Chairman of the Netherlands Delegation, spoke on the Cultural Agreement reached at the Conference. The cultural relations between the Partners would be of a universal character and without limitations, aiming at the encouragement of education, science, and culture by all means possible. The Partners were to exchange knowledge of each other's progress in science and culture. The saying that East and West will never meet had certainly not been in the minds of those who had drafted the Cultural Agreement. Dr. van Maarseveen hoped that the good spirit which had inspired the authors of the agreement would continue to inspire the two peoples, and that both countries, sovereign and independent, would march with God's blessing towards a brilliant future.
110. The last speaker was the Chairman of the week of the United Nations Commission for Indonesia, Mr. R. Herremans. He stated that the transfer of sovereignty was of new significance, inasmuch as it represented

at once the end of a conflict, the solution of a problem, the birth of a nation, and the foundation of a Union. Such a transfer of sovereignty had been from the beginning the aim of both parties, Mr. Herremans recalled; there had been difference only in the manner in which that transfer would be achieved. For three centuries the common life of the Netherlands and Indonesian peoples had been one of the major elements in their development. Now their ties had been modified, but not disrupted, by the evolution of history, and new links would be created in a Union of two independent and sovereign Partners.

From the international standpoint, the agreements reached at the Conference were significant. "In the view of the United Nations Commission for Indonesia, the agreements open the way to lasting friendship and confidence between two peoples, a wide road to order and peace. They give proof that the most inextricable disputes can be solved by conciliation, with individual aims achieved and mutual benefits ensured. The example which is being offered today will strengthen that belief in peaceful solutions of which the world has such great need."

The Commission hoped that the Parliaments concerned would ratify the agreements without delay, and that these accords would be implemented correctly and harmoniously at an early date. As had been agreed by the parties, the United Nations Commission for Indonesia or another organ of the United Nations would observe the implementation of these agreements.

In conclusion, the Commission wished the future Republic of the United States of Indonesia a broad and fruitful development. The world could hail this day as the logical and auspicious consummation, in nationhood, of the deepest aspirations of seventy million people and their eagerness to take their place in the international community.

"The peoples of Indonesia have been fashioning a rich culture, and we believe that in the years ahead they shall make yet another contribution : to further the development of one of the most important regions of the world. May the Netherlands reap the reward of its wisdom and foresight. May both sovereign nations enjoy destinies worthy of their past, in such a way that future generations may say : 'The Men of the Round Table Conference did a good job.'" (appendix XXV).

111. The Covering Resolution of the Round Table Conference was then signed by the respective Chairmen of the three Delegations, by the Members and Principal Secretary of the United Nations Commission for Indonesia, and by the Chairman and Secretary-General of the Conference.

112. In closing the meeting, Dr. W. Drees expressed his gratitude to all those who had made possible the success of the Conference, and especially to the United Nations Commission for Indonesia for its untiring efforts to assist the parties. After reviewing the historical development of Indonesia, he said that its independence had long been the aim of the Netherlands, but that war and revolution had slowed down progress in this regard. However, a sovereign Republic would soon be taking over what centuries of Netherlands energy and spirit of enterprise had built up in the Far East. The agreements reached at the Conference would not satisfy everyone, as both sides had had to make concessions; but once those agreements had been ratified in both countries, no effort should be spared by all concerned to make their implementation a complete success.

The new Government in Indonesia would have a difficult task to perform. On the other hand, Indonesia had great recuperative powers, and it could take the Netherlands as an example of what can be achieved in a period of four years in the reconstruction of devastated areas. Finally, Dr. Drees expressed the hope that it would be possible to realize in everyday life all that had been set forth in agreements for the benefit of Indonesia, the Netherlands, and the international community.

113. The Chairman then declared the Conference closed.



CHAPTER XII

Conclusions

114. At the conclusion of its First Interim Report<sup>(S/1373)</sup>, the Commission had stated that it looked forward with hope to a settlement of the Indonesian dispute at the Round Table Conference and, as a result, to the beginning of a new era for the peoples of the Netherlands and Indonesia.
115. The results achieved have justified this hope. The Commission takes pleasure in reporting that, in its judgment, the negotiations conducted at The Hague were eminently successful. The Commission is confident that as a result of the transfer of real, complete and unconditional sovereignty, the new relationship between the peoples of the Netherlands and Indonesia can evolve to the mutual advantage of the Partners of the Netherlands-Indonesian Union.
116. The Commission, having participated in the Conference in compliance with the directive of the Security Council, and having assisted the parties to reach agreement, will continue to carry out its functions in accordance with its terms of reference, and observe in Indonesia the implementation of the agreements reached at the Round Table Conference.
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