



Treaty Series No. 48 (1948)

## Exchange of Notes

between the Governments of the United Kingdom  
and the Netherlands concerning the

# Regulation of Trade and Payments

between Singapore and the Federation of Malaya  
and the Netherlands Indies

[with Annex]

London, 11th June, 1948

*Presented by the Secretary of State for Foreign Affairs  
to Parliament by Command of His Majesty*

LONDON  
HIS MAJESTY'S STATIONERY OFFICE

ONE PENNY NET

Cmd. 7487

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENTS OF THE  
UNITED KINGDOM AND THE NETHERLANDS CONCERNING  
THE REGULATION OF TRADE AND PAYMENTS BETWEEN  
SINGAPORE AND THE FEDERATION OF MALAYA AND THE  
NETHERLANDS INDIES**

---

*London, 11th June, 1948*

---

No. 1

*The Secretary of State for Foreign Affairs to the Netherlands Ambassador*

Your Excellency,

*Foreign Office, 11th June, 1948.*

I have the honour to refer to an arrangement concerning the regulation of trade and payments between the Netherlands Indies, on the one hand, and Singapore and the Federation of Malaya, on the other, which was drawn up in the form of an Agreed Minute and initialled by Mr. J. Hardeman and Mr. W. A. Morris, representatives of our two Governments, in London on 23rd March, 1948. The arrangement, the provisions of which are set out in the Annex hereto, was expressed to come into force on 23rd March, 1948, the date on which it was initialled.

2. In accordance with the procedure agreed between the representatives of our two Governments during negotiations in London and The Hague during December 1947 and February 1948, the Agreed Minute has been submitted to His Majesty's Government in the United Kingdom for formal approval of its terms.

3. His Majesty's Government have now approved and hereby confirm the terms of the Agreed Minute in respect of Singapore and the Federation of Malaya. If the Netherlands Government likewise approve and confirm the terms thereof in respect of the Netherlands Indies, I have the honour to propose that the present Note and your Excellency's reply to that effect be regarded as placing on record the agreement between the two Governments in this matter.

I have, &c.

(Sd.) ERNEST BEVIN.

---

**ANNEX**

**AGREED MINUTE**

The Netherlands and United Kingdom Governments, recognising the importance of confining trade between the Netherlands Indies on the one side and Singapore and the Federation of Malaya on the other through normal legal channels, in particular with a view to preventing transfers between their areas which do not serve direct and useful economic or commercial purposes, have agreed as follows :—

- (1) The local Governments concerned will not discriminate against each other's normal trade, taking into consideration obligations arising out of international agreements and/or trade agreements with other nations.

- (2) All shipments between ports within areas where officially recognised banking facilities exist will be financed through recognised banks, the terms of sale being left to the merchants, subject to the approval of the Government authorising the export.
- (3) For areas with no officially recognised banking facilities the Governments of Singapore and the Federation of Malaya will re-introduce control by means of a barter book system or any other measures mutually agreed by the local Governments concerned under supervision of the respective exchange controls, in a way similar to that in which such controls operated under the local Agreement of 28th November, 1940.

In this connexion these Governments will take appropriate action to control, to the best ability of their preventive services, all movements of currency between Singapore and the Federation of Malaya on the one side and the Netherlands Indies on the other.

- (4) The Government of the Netherlands Indies will co-operate to the best of its ability in confining controls in the areas where no officially recognised banking facilities exist to (a) insistence on compliance with the control system as indicated in paragraph (3), and (b) appropriate preventive control over movements of currency not sanctioned thereunder.
- (5) The Governments of Singapore and the Federation of Malaya will endeavour to ensure that the exports to the areas where no officially recognised banking facilities exist will comprise articles and commodities required by the inhabitants of the Netherlands Indies and acceptable as such to the Netherlands Indies Government, to as great a degree as may be feasible and compatible with availability of supplies after the requirements of the inhabitants of Singapore and the Federation of Malaya have been covered.
- (6) At the request of the Netherlands Indies Government, the Governments of Singapore and the Federation of Malaya will provide to the Netherlands Indies Government United States dollars against sterling or Straits dollars for the cost of goods of Netherlands Indies origin purchased by merchants in Singapore and the Federation of Malaya which may be deemed to have been exported to the United States dollar area less the United States dollar cost to Singapore and the Federation of Malaya of goods of United States dollar origin which are sold by Singapore and Federation of Malaya merchants to the Netherlands Indies. For this purpose a suitable formula, based on Malayan statistics, will be worked out by officials of the two Governments. This arrangement will take effect in respect of goods imported from the Netherlands Indies into Singapore and the Federation of Malaya on or after 1st January, 1948, and goods exported to the Netherlands Indies from Singapore and the Federation of Malaya on or after the same date.
- (7) The trade between the Netherlands Indies and Singapore and the Federation of Malaya shall continue to be financed in Straits dollars.
- (8) This Agreed Minute shall come into effect as from to-day's date and shall cover the calendar year 1948 and shall be continued thereafter unless either Government shall give one month's notice of termination.

#### APPENDIX

Both Governments realise that this Agreed Minute cannot be put into full effect in respect of traffic between Singapore and the Federation of Malaya and those parts of the Netherlands Indies which are not under the actual

control of the Netherlands Indies Government. Such trade will be on a barter basis and will be subject to the Netherlands Indies Import and Export Regulations. The Governments of Singapore and the Federation of Malaya will co-operate to the best of their ability to promote compliance by traders with these regulations.

(Initialled)

J. H.

(Initialled)

W. A. M.

*London, 23rd March, 1948.*

---

No. 2

*The Netherlands Ambassador to the Secretary of State for Foreign Affairs*

Your Excellency,

*London, 11th June, 1948.*

I have the honour to acknowledge the receipt of your Note of to-day's date in the following terms :—

[As in No. 1]

In reply, I have the honour to inform you that the Royal Netherlands Government have given formal approval to the Agreed Minute initialled on 23rd March, 1948, and will regard your Note and this reply as constituting an agreement between the two Governments.

I have, &c.

(Sd.) E. MICHIELS.

LONDON  
 PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE  
 To be purchased directly from H.M. Stationery Office at the following addresses:  
 York House, Kingsway, London, W.C.2; 13a Castle Street, Edinburgh, 2;  
 39-41 King Street, Manchester, 2; 1 St. Andrew's Crescent, Cardiff;  
 Tower Lane, Bristol, 1; 80 Chichester Street, Belfast  
 OR THROUGH ANY BOOKSELLER  
 1948

Price 1*d.*, net

14839 35581 Wt. 959 7/48 F.O.P.