

FINANCING OF EDUCATIONAL EXCHANGE PROGRAM

Agreement and exchange of notes signed at Oslo May 25, 1949

Entered into force May 25, 1949

Amended by agreements of August 12 and October 30, 1954;¹

June 15, 1955;² June 21, 1960;³ and March 16, 1964⁴

63 Stat. 2764; Treaties and Other
International Acts Series 2000

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE ROYAL NORWEGIAN GOVERNMENT FOR THE USE OF FUNDS MADE AVAILABLE IN ACCORDANCE WITH THE LETTER CREDIT AGREEMENT DATED JUNE 18, 1946, ACCEPTED BY THE ROYAL NORWEGIAN GOVERNMENT ON JULY 29, 1946⁵

The Government of the United States of America and the Royal Norwegian Government;

Desiring to promote further mutual understanding between the peoples of the United States of America and Norway by a wider exchange of knowledge and professional talents through educational contacts;

Considering that Section 32(b) of the United States Surplus Property Act of 1944, as amended by Public Law No. 584, 79th Congress,⁶ provides that the Secretary of State of the United States of America may enter into an agreement with any foreign government for the use of currencies or credits for currencies of such foreign government acquired as a result of surplus property disposals for certain educational activities; and

Considering that under the provisions of the letter credit agreement dated June 18, 1946, addressed to the Minister of Finance, Oslo, Norway, from Horace C. Reed, Acting Central Field Commissioner for Europe, Office of the Foreign Liquidation Commissioner, United States of America, accepted by Erik Brofoss on July 29, 1946 (hereinafter designated "the Letter Credit Agreement") it is provided that in the event the Government of the United States wishes to receive local currency of the Royal Norwegian Government

¹ 5 UST 2545; TIAS 3118.

² 6 UST 2103; TIAS 3282.

³ 11 UST 1602; TIAS 4503.

⁴ 15 UST 241; TIAS 5545.

⁵ For a modification of the title, see agreement of June 15, 1955 (6 UST 2103; TIAS 3282).

⁶ 60 Stat. 754.

for the payment of any or all expenditures in Norway of the Government of the United States and its agencies (i.e. Embassy, Consular, and similar civilian expenditures), the Government of the United States may request at any time or times, and the Royal Norwegian Government agrees to furnish at such time or times, Norwegian currency at an exchange rate as provided in sub-paragraph (4) (b) of the Letter Credit Agreement, in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter. In the event that local currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal,⁷

Have agreed as follows:

ARTICLE 1⁸

There shall be established a foundation to be known as the United States Educational Foundation in Norway (hereinafter designated "the Foundation"), which shall be recognized by the Government of the United States of America and the Royal Norwegian Government as an organization created and established to facilitate the administration of the educational program to be financed by funds made available by the Royal Norwegian Government under the terms of the present agreement. Except as provided in Article 3 hereof the Foundation shall be exempt from the domestic and local laws of the United States of America and Norway as they relate to the use and expenditures of currencies, and credits for currencies, for the purposes set forth in the present agreement.

The funds made available under the present agreement by the Royal Norwegian Government, within the conditions and limitation hereinafter set forth, shall be used by the Foundation or such other instrumentality as may be agreed upon by the Government of the United States of America and the Royal Norwegian Government for the purpose, as set forth in Section 32 (b) of the United States Surplus Property Act of 1944, as amended, of

(1) financing studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in Norway or of nationals of Norway in United States schools and institutions of higher learning located outside the conti-

⁷ For amendments to preamble, see agreements of Aug. 12 and Oct. 30, 1954 (5 UST 2545; TIAS 3118), and Mar. 16, 1964 (15 UST 241; TIAS 5545); for addition of a paragraph, see agreement of June 15, 1955 (6 UST 2103; TIAS 3282).

⁸ For amendments to art. 1, see agreements of Aug. 12 and Oct. 30, 1954 (5 UST 2545; TIAS 3118), June 15, 1955 (6 UST 2103; TIAS 3282), and Mar. 16, 1964 (15 UST 241; TIAS 5545).

mental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or

(2) furnishing transportation for nationals of Norway who desire to attend United States schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands and whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions.

ARTICLE 2⁹

In furtherance of the aforementioned purposes, the Foundation may, subject to the provisions of Article 10 of the present agreement, exercise all powers necessary to the carrying out of the purposes of the present agreement including the following:

- (1) Receive funds.
- (2) Open and operate bank accounts in the name of the Foundation in a depository or depositories to be designated by the Secretary of State of the United States of America.
- (3) Disburse funds and make grants and advances of funds for the authorized purposes of the Foundation.
- (4) Acquire, hold, and dispose of property in the name of the Foundation as the Board of Directors of the Foundation may consider necessary or desirable, provided however that the acquisition of any real property shall be subject to the prior approval of the Secretary of State of the United States of America.
- (5) Plan, adopt, and carry out programs, in accordance with the purposes of Section 32 (b) of the United States Surplus Property Act of 1944, as amended, and the purposes of the present agreement.
- (6) Recommend to the Board of Foreign Scholarships provided for in the United States Surplus Property Act of 1944, as amended, students, professors, research scholars, resident in Norway, and institutions of Norway qualified to participate in the programs in accordance with the aforesaid Act.
- (7) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selection of participants in the programs as it may deem necessary for achieving the purpose and objectives of the Foundation.
- (8) Provide for periodic audits of the accounts of the Foundation as directed by the auditors selected by the Secretary of State of the United States of America.
- (9) Engage administrative and clerical staff and fix and pay the salaries and wages thereof.

⁹ For amendments to arts. 2 and 3, see agreement of Mar. 16, 1964 (15 UST 241; TIAS 5545).

ARTICLE 3⁹

All expenditures by the Foundation shall be made pursuant to an annual budget to be approved by the Secretary of State of the United States of America pursuant to such regulations as he may prescribe.

ARTICLE 4

The Foundation shall not enter into any commitment or create any obligation which shall bind the Foundation in excess of the funds actually on hand nor acquire, hold, or dispose of property except for the purposes authorized in the present agreement.

ARTICLE 5

The management and direction of the affairs of the Foundation shall be vested in a Board of Directors consisting of eight Directors (hereinafter designated the "Board"), four of whom shall be citizens of the United States of America and four of whom shall be nationals of Norway. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to Norway (hereinafter designated "Chief of Mission") shall be Honorary Chairman of the Board. He shall cast the deciding vote in the event of a tie vote by the Board and shall appoint the Chairman of the Board. The Chairman as a regular member of the Board shall have the right to vote. The citizens of the United States of America on the Board, at least two of whom shall be officers of the United States Foreign Service establishment in Norway, shall be appointed and removed by the Chief of Mission; the nationals of Norway on the Board shall be appointed and removed by the Norwegian Minister of Church and Education.

The Directors shall serve from the time of their appointment until the following December 31 and shall be eligible for reappointment. Vacancies by reason of resignation, transfer of residence outside Norway, expiration of service or otherwise, shall be filled in accordance with the appointment procedure set forth in this article.

The Directors shall serve without compensation but the Foundation is authorized to pay the necessary expenses of the Directors in attending the meetings of the Board.

ARTICLE 6

The Board shall adopt such bylaws and appoint such committees as it shall deem necessary for the conduct of the affairs of the Foundation.

ARTICLE 7¹⁰

Reports as directed by the Secretary of State of the United States of America shall be made annually on the activities of the Foundation to the

¹⁰ For an amendment to art. 7, see *ibid.*

Secretary of State of the United States of America and the Royal Norwegian Government.

ARTICLE 8

The principal office of the Foundation shall be in Oslo but meetings of the Board and any of its committees may be held in such other places as the Board may from time to time determine, and the activities of any of the Foundation's officers or staff may be carried on at such places as may be approved by the Board.

ARTICLE 9

The Board may appoint an Executive Officer and determine his salary and term of service, provided however, that in the event it is found to be impracticable for the Board to secure an appointee acceptable to the Chairman, the Government of the United States may provide an Executive Officer and such assistants as may be deemed necessary to ensure the effective operation of the program. The Executive Officer shall be responsible for the direction and supervision of the Board's programs and activities in accordance with the Board's resolutions and directives. In his absence or disability, the Board may appoint a substitute for such time as it deems necessary or desirable.

ARTICLE 10

The decisions of the Board in all matters may, in the discretion of the Secretary of State of the United States of America, be subject to his review.

ARTICLE 11 ¹¹

The Royal Norwegian Government shall, subsequent to 30 days of the date of the signature of the present agreement, deposit such amounts of currency of the Royal Norwegian Government as may be requested by the Government of the United States of America until an aggregate amount of the currency of the Royal Norwegian Government equivalent to \$1,250,000 (United States currency) shall have been so deposited, provided however, that in no event shall a total amount of the currency of the Royal Norwegian Government in excess of the equivalent of \$250,000 (United States currency) be deposited during any single calendar year.

The rate of exchange between currency of the Royal Norwegian Government and United States currency to be used in determining the amount of currency of the Royal Norwegian Government to be deposited from time to time hereunder, shall be determined in accordance with sub-paragraph (4) (b) of the Letter Credit Agreement.

The Royal Norwegian Government shall guarantee the United States of America against loss resulting from any alteration in the above rate of ex-

¹¹ For amendments to art. 11, see agreements of Aug. 12 and Oct. 30, 1954 (5 UST 2545; TIAS 3118), June 15, 1955 (6 UST 2103; TIAS 3282), June 21, 1960 (11 UST 1602; TIAS 4503), and Mar. 16, 1964 (15 UST 241; TIAS 5545).

change or from any currency conversion with respect to any currency of the Royal Norwegian Government received hereunder and held by the Treasurer of the United States of America or by the Foundation by undertaking to pay to the Government of the United States of America such amounts of currency of the Royal Norwegian Government as are necessary to maintain the dollar value of such currency of the Royal Norwegian Government as is held by the Treasurer of the United States of America or the Foundation. The purpose of this provision is to assure that the operations of the Foundation will not be interrupted or restricted by any deficits resulting from alterations in the above rate of exchange, or from currency conversions.

The Secretary of the State of the United States of America will make available for expenditure by the Foundation currency of the Royal Norwegian Government in such amounts as may be required by the Foundation but in no event in excess of the budgetary limitation established pursuant to Article 3 of the present agreement.

ARTICLE 12

Furniture, equipment, supplies, and any other articles intended for official use of the Foundation shall be exempt in the territory of Norway from customs duties, excises, and surtaxes, and every other form of taxation.

All funds and other property used for the purposes of the Foundation, and all official acts of the Foundation within the scope of its purposes shall likewise be exempt from taxation of every kind in the territory of Norway.

ARTICLE 13

The Government of the United States of America and the Royal Norwegian Government shall make every effort to facilitate the exchange of persons under programs authorized in this agreement and to resolve problems which may arise in the operation thereof.

ARTICLE 14

Wherever, in the present agreement, the term "Secretary of State of the United States of America", is used it shall be understood to mean the Secretary of State of the United States of America or any officer or employee of the Government of the United States of America designated by him to act in his behalf.

ARTICLE 15

The present agreement may be amended by the exchange of diplomatic notes between the Government of the United States of America and the Royal Norwegian Government.

ARTICLE 16

The present agreement shall come into force upon the date of signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed the present agreement.

DONE at Oslo in duplicate, in the English and Norwegian languages, this 25th day of May 1949.

For the Government of the United States of America:

HENRY S. VILLARD [SEAL]

For den Kongelige Norske Regjering:

HALVARD M. LANGE [SEAL]

EXCHANGE OF NOTES

*The Minister of Foreign Affairs to the American Chargé d'Affaires
ad interim*

[TRANSLATION]

THE ROYAL DEPARTMENT
OF FOREIGN AFFAIRS

OSLO, May 25, 1949

MR. CHARGÉ D'AFFAIRES:

I refer to the negotiations which have been conducted between the Royal Norwegian Government and the Government of the United States of America and which have led to the signing today of an agreement between the two countries concerning the use of the funds made available under the Credit Agreement of June 18, 1946, ratified by the Royal Norwegian Government on July 29, 1946, and have the honor to assure the Government of the United States of America that the Royal Norwegian Government, with a view to obtaining the best possible use of the funds covered by the Agreement signed today, will, if necessary by proposing a legislative amendment, arrange for the granting of exemption from taxation and the removal of other charges in connection with entry into Norway, and travel and residence in Norway, for citizens of the United States who participate in educational work on behalf of the United States Educational Foundation in Norway, to the same extent as Norwegian citizens in the United States engaged in similar work are granted such privileges.

Accept, Mr. Chargé d'Affaires, the assurance of my high consideration.

HALVARD M. LANGE

MR. HENRY S. VILLARD,
*Chargé d'Affaires ad interim of the
United States of America,
etc., etc.*

The American Chargé d'Affaires ad interim to the Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA
Oslo, May 25, 1949

No. 116

EXCELLENCY:

I have the honor to acknowledge the receipt of your note dated May 25, 1949 concerning the use of funds made available in accordance with the Letter Credit Agreement of June 18, 1946. It is understood that it is the intention of the Royal Norwegian Government to arrange, if necessary by proposal for an amendment of existing legislation, that exemption from taxation be granted and that other burdens affecting entry, travel and residence in Norway for citizens of the United States who participate in educational activities on behalf of the United States Educational Foundation in Norway be removed to the same extent that Norwegian citizens in the United States engaged in similar activities are granted such privileges.

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

HENRY S. VILLARD

His Excellency

HALVARD M. LANGE,
*Royal Norwegian Minister
of Foreign Affairs,
Oslo.*