

No. 2386

**UNITED STATES OF AMERICA
and
CEYLON**

Agreement for financing certain educational exchange programs. Signed at Colombo, on 17 November 1952

Official text: English.

Registered by the United States of America on 28 November 1953.

**ÉTATS-UNIS D'AMÉRIQUE
et
CEYLAN**

Accord relatif au financement de certains programmes d'échange dans le domaine de l'enseignement. Signé à Colombo, le 17 novembre 1952

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 28 novembre 1953.

No. 2386. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF CEYLON FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS. SIGNED AT COLOMBO, ON 17 NOVEMBER 1952

The Government of the United States of America and the Government of Ceylon,

Desiring to promote further mutual understanding between the peoples of the United States of America and Ceylon 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 1944,² as amended by Public Law 584, Seventy-ninth Congress,³ 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 certain rupees expendable in Ceylon have been received by the Government of the United States of America in payment for certain surplus war properties in accordance with Contract No. W-ANL-(ICB-III)5, signed March 15, 1946;⁴

Have agreed as follows :

Article 1

There shall be established a foundation to be known as the United States Educational Foundation in Ceylon (hereinafter designated " the Foundation "), which shall be recognized by the Government of the United States of America and the Government of Ceylon as an organization created and established to facilitate the administration of an educational program to be financed by funds made available to the Foundation in accordance with the terms of the present agreement by the Government of the United States from funds obtained from the Government of Ceylon.

¹ Came into force on 17 November 1952, upon signature, in accordance with article 12.

² United States of America : 58 Stat. 782.

³ United States of America : 60 Stat. 754.

⁴ Not printed by the Department of State of the United States of America.

Except as provided in Article 3 hereof, the Foundation shall be exempt from the domestic and local laws of the United States of America as they relate to the use and expenditure of currencies and credits for currencies for the purposes set forth in the present agreement. The funds shall be regarded in Ceylon as property of a foreign government.

The funds made available under the present agreement, within the conditions and limitations 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 Government of Ceylon, for the purposes, 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 Ceylon, or of the citizens of Ceylon in United States schools and institutions of higher learning located outside the continental 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 citizens of Ceylon 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 2

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

(1) 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.

(2) Recommend to the Board of Foreign Scholarships, provided for in the United States Surplus Property Act of 1944, as amended, students, professors, research scholars, teachers, resident in Ceylon and institutions

of Ceylon qualified to participate in the program in accordance with the aforesaid Act.

(3) 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 present agreement.

(4) Authorize the Treasurer of the Foundation or such other person as the Foundation may designate to receive funds to be deposited in bank accounts in the name of the Treasurer of the Foundation or such other person as may be designated. The appointment of the Treasurer or such designee shall be approved by the Secretary of State of the United States of America and the Treasurer or such designee shall deposit funds received in a depository or depositories designated by the Secretary of State of the United States of America.

(5) Authorize the disbursement of funds and the making of grants and advances of funds for the authorized purposes of the present agreement.

(6) Provide for periodic audits of the accounts of the Treasurer of the Foundation as directed by auditors selected by the Secretary of State of the United States of America.

(7) Engage an Executive Officer, administrative and clerical staff and fix and authorize the payment of the salaries and wages thereof out of funds made available under the present agreement.

Article 3

All commitments, obligations, and expenditures authorized 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 management and direction of the affairs of the Foundation shall be vested in a Board of Directors consisting of six members (hereinafter designated "the Board"), three of whom shall be citizens of the United States of America and three of whom shall be citizens of Ceylon. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to Ceylon (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 Chief of Mission

shall have the power to appoint and remove 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 Ceylon. The Government of Ceylon shall have the power to appoint and remove the citizens of Ceylon on the Board.

The members 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 Ceylon, expiration of service, or otherwise, shall be filled in accordance with the appointment procedure set forth in this article.

The members shall serve without compensation but the Board may authorize the payment of the necessary expenses of the members in attending the meetings of the Board and in performing other official duties assigned by the Board.

Article 5

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

Article 6

Reports acceptable in form and content to the Secretary of State of the United States of America shall be made annually on the activities of the Foundation to the Secretary of State of the United States of America and the Government of Ceylon.

Article 7

The principal office of the Foundation shall be in the capital city of Ceylon 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 8

The Secretary of State of the United States of America will make available for expenditure as authorized by the Foundation currency of the Government of Ceylon in an amount not to exceed the equivalent of \$ 135,000 (United States currency) during any single calendar year from Ceylonese currency held in the account of the Treasurer of the United States and available for purposes of this agreement in accordance with United States law. Such amounts made available shall not be in excess of the budgetary limitation established pursuant to Article 3 of the present agreement.

Article 9

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

Article 10

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 11

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

Article 12

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 Colombo in duplicate, in the English language this Seventeenth day of November, One Thousand Nine Hundred and Fifty-Two.

[SEAL]

For the Government of the United States of America :
Joseph C. SATTERTHWAIT
Ambassador of the United States of America

For the Government of Ceylon :
K. VAITHIANATHAN
Permanent Secretary to the Ministry
of Defence and External Affairs
