

No. 4107

**UNITED STATES OF AMERICA
and
ICELAND**

Agreement for financing certain educational exchange programs. Signed at Reykjavik, on 23 February 1957

Official texts: English and Icelandic.

Registered by the United States of America on 18 December 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
ISLANDE**

Accord relatif au financement de certains programmes d'échanges éducatifs. Signé à Reykjavik, le 23 février 1957

Textes officiels anglais et islandais.

Enregistré par les États-Unis d'Amérique le 18 décembre 1957.

No. 4107. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ICELAND FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS. SIGNED AT REYKJAVIK, ON 23 FEBRUARY 1957

The Government of the United States of America and the Government of Iceland :

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

Considering that the Secretary of State of the United States of America may enter into an agreement for financing certain educational exchange programs from the currency of Iceland held or available for expenditure by the United States for such purposes;

Have agreed as follows :

Article 1

There shall be established a foundation to be known as the United States Educational Foundation in Iceland (hereinafter designated " the Foundation "), which shall be recognized by the Government of the United States of America and the Government of Iceland as an organization created and established to facilitate the administration of an educational program to be financed by funds made available to the Foundation by the Government of the United States from funds obtained from the Government of Iceland and held or available for expenditure by the United States for such purpose.

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 Iceland 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

¹ Came into force on 23 February 1957, upon the date of signature, in accordance with article 12.

United States of America and the Government of Iceland, 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 Iceland, or of the citizens of Iceland 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 Iceland 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 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 Iceland, and institutions of Iceland 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. The Treasurer 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 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 in accordance with 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 Iceland. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to Iceland (hereinafter designated "Chief of Mission") shall be Honorary Chairman of the Board, without the right to vote, except that he shall cast the deciding vote in the event of a tie vote by the Board. He 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 Iceland. The Government of Iceland shall have the power to appoint and remove the citizens of Iceland 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 Iceland, 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 Iceland.

Article 7

The principal office of the Foundation shall be in the capital city of Iceland 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 of staff may be carried on at such places as may be approved by the Board.

Article 8

The Government of Iceland shall, as and when requested by the Government of the United States of America for purposes of the present agreement, make available for deposit into an account in Iceland in the name of the Treasurer of the United States of America amounts of currency of Iceland, in accordance with the terms of the Surplus Property Agreement embodied in exchange of notes No. 20 of the American Legation, Reykjavik, dated August 15, 1950,¹ and No. 5 of the Ministry for Foreign Affairs of the Government of Iceland, dated January 26, 1953,¹ up to a total amount equivalent to \$100,000 (United States currency), provided, however, that in no event shall a total of the currency of Iceland in excess of the equivalent of \$25,000 (United States currency) be deposited during any single calendar year. The rate of exchange between the currency of Iceland and the currency of the United States to be used to determine the amount of currency of Iceland to be thus made available shall be the rate specified in the above notes constituting the Surplus Property Agreement.

In the event that the Treasurer of the United States holds currency of Iceland, other than that obtained through the Surplus Property Agreement, which is available for purposes of this Agreement, such currency may be used for such purposes at the option of the United States, provided, however, that the amounts of such currency so employed shall be included within the \$100,000 and \$25,000 limitations specified above. Whenever in using such currency a rate of exchange between the currency of Iceland and the currency of the United States is needed, it shall be the rate available to the United States in Iceland for the conversion of dollar exchange for its official disbursements on the day on which currency of Iceland is made available by the Secretary of State for expenditures as authorized by the Foundation.

¹ Not printed by the Department of State of the United States of America.

The performance of this agreement shall be subject to the availability of appropriations to the Secretary of State of the United States of America, when such appropriations are required by the laws of the United States.

The Secretary of State of the United States of America will make available for expenditure as authorized by the Foundation currency of Iceland in such amounts as may be required for the purposes of this agreement, but in no event 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 Iceland 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 Iceland.

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 Reykjavík in duplicate, in the English and Icelandic languages this 23 day of February 1957.

For the Government
of the United States of America:

John J. MUCCIO

For the Government
of Iceland:

Gudmundur I. GUDMUNDSSON