

No. 3649

ISRAEL
and
UNITED STATES OF AMERICA

Agreement (with exchange of notes) for financing certain educational exchange programs. Signed at Washington, on 26 July 1956

Official texts of the Agreement: English and Hebrew.

Official text of the exchange of notes: English.

Registered by Israel on 8 January 1957.

ISRAËL
et
ÉTATS-UNIS D'AMÉRIQUE

Accord (avec échange de notes) relatif au financement de certains programmes d'échange dans le domaine de l'enseignement. Signé à Washington, le 26 juillet 1956

Textes officiels de l'Accord: anglais et hébreu.

Texte officiel de l'échange de notes: anglais.

Enregistré par Israël le 8 janvier 1957.

No. 3649. AGREEMENT¹ BETWEEN THE GOVERNMENT OF ISRAEL AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS. SIGNED AT WASHINGTON, ON 26 JULY 1956

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

Desiring to promote further mutual understanding between the peoples of Israel and the United States of America 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 Israel 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 Israel (hereinafter designated "the Foundation"), which shall be recognized by the Government of Israel and the Government of the United States of America 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 of America from currency of Israel held or available for expenditure by the United States for such purposes.

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 Israel 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 Israel

¹ Came into force on 26 July 1956, upon signature, in accordance with article 12.

and the Government of the United States of America 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 Israel or of the citizens of Israel 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 Israel 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 Section 32 (b) of the United States Surplus Property Act of 1944, as amended, students, professors, research scholars, teachers, resident in Israel, and institutions of Israel 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. 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 and three of whom shall be citizens of Israel. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to Israel (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 Israel. The Government of Israel shall have the power to appoint and remove the citizens of Israel 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 Israel, 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 Israel.

Article 7

The principal office of the Foundation shall be in such place in Israel as the Honorary Chairman may direct 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 officers or staff may be carried on at such places as may be approved by the Board.

Article 8

The Government of Israel and the Government of the United States of America agree that currency of Israel acquired by the Government of the United States pursuant to the agreement effected by the exchange of notes dated June 9, 1952,¹ and any other currency of Israel owed to or owned by the United States and available for educational exchange activities, up to an aggregate amount of 900,000 Israeli pounds may be used for purposes of this agreement; provided, however, that in no event shall a total of the currency of Israel in excess of 180,000 Israeli pounds be deposited to the credit of the Foundation during any single year, and, provided further, that 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 required by the laws of the United States, for reimbursement to the Treasury of the United States for currency of Israel held or available for expenditure by 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 the Government of Israel 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 Israel and the Government of the United States of America shall make every effort to facilitate the exchange of persons program

¹ United Nations, *Treaty Series*, Vol. 178, p. 297.

authorized in this agreement and to resolve problems which may arise in the operations thereof.

United States citizens employed by the Foundation and United States grantees engaged in educational activities under the auspices of the Foundation, and accompanying members of their families, shall be exempt from all Israel income taxes and from taxes on personal property intended for their own use.

Furniture, equipment, supplies and any other articles intended for the official use of the Foundation shall be exempt in Israel 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, including the purchase of transportation, shall be exempt from taxation of every kind in Israel.

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 Israel and the Government of the United States of America.

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 Washington, in duplicate, in the Hebrew and English languages, this twenty-sixth day of July 1956.

For the Government of Israel :
(Signed) Abba EBAN

For the Government of the United States of America :
(Signed) George V. ALLEN

EXCHANGE OF NOTES

I

(EG-529)

July 26, 1956

Sir,

I have the honor to refer to the Agreement between the Government of the United States of America and the Government of Israel for Financing Certain Educational Exchange Programs, signed on July 26, 1956,¹ and to confirm the understanding reached during the negotiation thereof that the Government of Israel agrees that United States citizens employed by the Foundation and United States grantees engaged in educational activities under the auspices of the Foundation will be treated as United States citizens employed by the Embassy of the United States, with respect to contributions required by the National Insurance Law.

It is understood, further, that the preceding paragraph will not affect those citizens of the United States employed by the Foundation who have previously been employed in Israel and have contributed to the National Insurance Institute.

With regard to exemption from Israel income taxes, it is understood that only such income as is derived directly from funds of the Foundation is exempt from income tax. Income derived by United States citizen employees of the Foundation, grantees, and members of their families from any other source in Israel, does not come within the exemption contained in the Agreement.

Accept, Sir, the renewed assurances of my high consideration.

(Signed) Abba EBAN

The Honorable Robert Murphy
The Acting Secretary of State
Washington, D. C.

II

DEPARTMENT OF STATE
WASHINGTON

July 26, 1956

Excellency :

I have the honor to acknowledge the receipt of your note of July 26, 1956 which reads as follows :

[See note I]

¹ See p. 60 of this volume.

The above assurances have been duly noted by the Government of the United States of America.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Acting Secretary of State :

(Signed) George V. ALLEN
Assistant Secretary

His Excellency Abba Eban
Ambassador of Israel