

No. 6469

DENMARK
and
UNITED STATES OF AMERICA

Exchange of notes constituting an agreement replacing the Agreement signed at Copenhagen on 23 August 1951 for financing certain educational exchange programs. Copenhagen, 28 May 1962

Official text: English.

Registered by Denmark on 4 January 1963.

DANEMARK
et
ÉTATS-UNIS D'AMÉRIQUE

Échange de notes constituant un accord remplaçant l'Accord relatif au financement de certains programmes d'échanges éducatifs signé à Copenhague le 23 août 1951. Copenhague, 28 mai 1962

Texte officiel anglais.

Enregistré par le Danemark le 4 janvier 1963.

No. 6469. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN DENMARK AND THE UNITED STATES OF AMERICA REPLACING THE AGREEMENT SIGNED AT COPENHAGEN ON 23 AUGUST 1951² FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS. COPENHAGEN, 28 MAY 1962

I

EMBASSY OF THE UNITED STATES OF AMERICA

Copenhagen, May 28, 1962

Excellency :

I have the honor to refer to the Agreement between the Government of the United States of America and the Government of Denmark signed at Copenhagen August 23, 1951, as amended,² to promote further mutual understanding between the peoples of the United States of America and Denmark by a wider exchange of knowledge and professional talents through educational contacts (hereinafter referred to as the " Agreement "). I have the honor to refer also to the Aide Memoire of May 28, 1961, in which the Ministry of Foreign Affairs proposed that the program provided for in the Agreement be continued, and invited attention to a specific means of financing its extension.

It is the desire of the Government of the United States of America to use Danish kroner generated by the repayment of principal and payment of interest by the Government of Denmark to the Government of the United States of America pursuant to the agreement of March 7, 1956, between the Government of Denmark and the Export-Import Bank of Washington to extend the program provided for in the Agreement for an additional period of time. It is also the desire of the Government of the United States of America to remove from the Agreement the limitation of the equivalent of \$ 180,000 on annual deposits to the credit of the Foundation provided for in the Agreement, although no increase in the annual level of the program is presently contemplated, and to remove certain other limitations that were required by laws of the United States of America no longer in effect.

I have the honor to refer to recent conversations between representatives of our two Governments on the same subject and to confirm the understanding reached that the Agreement shall be replaced by an agreement to read as follows :

¹ Came into force on 28 May 1962 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 147, p. 49 and Vol. 272, p. 262.

The Government of the United States of America and the Government of Denmark;

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

Considering that under the provisions of the Letter of Credit Agreement dated February 21, 1947 between the Government of the United States of America and the Government of Denmark, which was extended by Letter agreements, dated December 10, 1947, January 27, 1948, June 10, 1948 and December 13, 1948, it is provided that the Government of Denmark will, at the request of the United States of America, deliver Danish currency for the payment of expenditures in Denmark of the Government of the United States of America; and

Considering that the Government of the United States of America and the Government of Denmark desire to continue the program with such other funds in the currency of Denmark as may become available for expenditure by the United States of America 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 Denmark (hereinafter designated "the Foundation"), which shall be recognized by the Government of the United States of America and the Government of Denmark 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 Denmark held or available for expenditure by the United States of America for such purpose.

Except as provided in Articles 3 and 8 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, and property which may be acquired with the funds in furtherance of these purposes, shall be regarded in Denmark 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 Denmark, for the purposes of :

- (1) financing studies, research, instruction, and other educational activities (i) of or for citizens and nationals of the United States of America in Denmark, and (ii) of or for citizens and nationals of Denmark in United States schools and institutions of learning located in or outside the United States of America; and
- (2) financing visits and interchanges between the United States of America and Denmark of students, trainees, teachers, instructors, and professors.

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 this agreement including the following :

(1) Plan, adopt, and carry out programs, in accordance with the purposes of the present agreement.

(2) Recommend to the Board of Foreign Scholarships of the United States of America, students, trainees, professors, research scholars, teachers, instructors, resident in Denmark and institutions of Denmark qualified to participate in the programs.

(3) Recommend to the 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 this 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. The Treasurer shall deposit funds received in a depository or depositories designated by the Secretary of State.

(5) Authorize the disbursement of funds and the making of grants and advances of funds for the authorized purposes of the present agreement, including payment for transportation, tuition, maintenance, and other expenses incident thereto.

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

(7) Engage an Executive Director or Officer, administrative and clerical staff and fix and pay the salaries and wages thereof, and incur other administrative expenses as may be deemed necessary out of funds made available under the agreement.

(8) Acquire, hold, and dispose of property (other than real property) in the name of the Foundation as may be deemed necessary or desirable, provided, however, that the leasing of adequate housing and facilities for the activities of the Foundation will be assured.

(9) With the approval of the Secretary of State and the Government of Denmark, administer or assist in administering or otherwise facilitate other programs in furtherance of the purposes of 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.

Article 4

The management and direction of the affairs of the Foundation shall be vested in a Board of Directors consisting of eight members (hereinafter designated the " Board "), four of whom shall be citizens of the United States of America and four of whom shall be citizens of Denmark. In addition, the principal officer in charge of the Diplomatic

Mission of the United States of America to Denmark (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 Denmark. The Danish members shall be appointed and may be removed by the Government of Denmark.

The members shall serve from the time of their appointment until the following December 31 and shall be eligible for re-appointment. Vacancies by reason of resignation, transfer of residence outside Denmark, 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 is authorized to pay the necessary expenses of the members in attending the meetings of the Board and in performing other official duties assigned by the Foundation.

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 shall be made annually on the activities of the Foundation to the Secretary of State and to the Government of Denmark.

Article 7

The principal office of the Foundation shall be in the capital city of Denmark, 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 Government of Denmark shall, as and when requested by the Government of the United States of America for purposes of this Agreement, make available for deposit in an account of the Treasurer of the United States of America in Denmark amounts of currency of the Government of Denmark until an aggregate amount equivalent to \$900,000 (United States currency) shall have been made available, provided, however, that not more than the equivalent in Danish currency of \$180,000 (United States currency) shall be made available during any single calendar year under this paragraph.

The rate of exchange between currency of the Government of Denmark and United States currency to be used in determining the amount of currency of the Government of Denmark to be so deposited shall be calculated in accordance with numbered paragraph (4) (b) of the Letter of Credit Agreement dated February 21, 1947.

In addition to the funds provided for in the first paragraph of this article, the Secretary of State will make available currency of Denmark held or available for expenditure by the Government of the United States of America for educational exchange activities up to an aggregate amount equivalent to \$900,000 for the purposes of this Agreement. With respect to the additional funds provided for in this paragraph, the rate of exchange between such currency of the Government of Denmark and United States currency to be used in computing the amount of currency of Denmark to be so deposited will be determined by mutual agreement at the time such currency is to be deposited.

The Government of the United States of America and the Government of Denmark agree that there may also be used for the purposes of this Agreement 12,406,500 kroner and any other currency of Denmark held or available for expenditure by the Government of the United States of America.

The performance of this Agreement shall be subject to the availability of appropriations to the Secretary of State.

The Secretary of State will make available for expenditure as authorized by the Foundation currency of the Government of Denmark in such amounts as may be required for the purposes of this Agreement, but in no event in excess of the budgetary limitations established pursuant to Article 3 of the present Agreement.

Article 9

The Government of Denmark shall extend to residents of the United States of America engaged in educational activities in Denmark under the auspices of the Foundation such privileges with respect to exemption from taxation and other burdens affecting the entry, travel, and residence of such persons, as are extended to residents of Denmark engaged in similar activities in the United States of America.

Article 10

The Government of the United States of America and the Government of Denmark 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 11

Wherever, in the present agreement, the term "Secretary of State" 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 12

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 Denmark.

Article 13

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

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Denmark, the Government of the United States of America will consider that this note and your Excellency's reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of Your Excellency's note in reply, thereupon replacing the agreement of August 23, 1951, as amended.

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

(Signed) William McCORMICK BLAIR

His Excellency Jens Otto Krag
Minister of Foreign Affairs
Copenhagen

II

UDENRIGSMINISTERIET¹

Copenhagen, May 28, 1962

Monsieur l'Ambassadeur,

I have the honour to acknowledge receipt of Your Excellency's Note, dated May 28, 1962, reading as follows :

[See note I]

In reply I have the honour to confirm that the Danish Government are in agreement with the contents of the Note quoted above and consider this Exchange of Notes to constitute an agreement concluded between the Government of Denmark and the Government of the United States of America, entering into force as from to-day.

Please accept, Monsieur l'Ambassadeur, the assurance of my highest consideration.

(Signed) J. O. KRAG

His Excellency Monsieur William McCormick Blair, Jr.
Ambassador of the United States of America
Copenhagen

¹ Ministry of Foreign Affairs.