

No. 6873

**UNITED STATES OF AMERICA
and
PHILIPPINES**

Agreement for financing certain educational exchange programs. Signed at Manila, on 23 March 1963

Official text: English.

Registered by the United States of America on 12 August 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
PHILIPPINES**

Accord relatif au financement de certains programmes d'échanges dans le domaine de l'enseignement. Signé à Manille, le 23 mars 1963

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 12 août 1963.

No. 6873. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS. SIGNED AT MANILA, ON 23 MARCH 1963

The Government of the United States of America and the Government of the Republic of the Philippines ;

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

Have agreed as follows :

Article 1

There shall be established a Foundation to be known as The United States Educational Foundation in the Philippines (hereinafter designated "the Foundation"), which shall be recognized by the Government of the United States of America and the Government of the Republic of the Philippines as an organization created and established to facilitate the administration of the educational program provided for in 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 the Republic of the Philippines 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 made available under the present Agreement shall be used by the Foundation for the purpose of,

(1) financing studies, research, instruction, and other educational activities (i) of or for citizens and nationals of the United States of America in the Philippines, and (ii) of or for citizens of the Philippines in United States schools and institutions of learning located in or outside the United States of America ;

(2) financing visits and interchanges between the United States of America and the Philippines of students, trainees, teachers, instructors, and professors ; and

¹ Came into force on 23 March 1963, upon signature, in accordance with article 15.

(3) financing such other related educational and cultural programs and activities as are provided for in budgets approved in accordance with Article 3 hereof.

Article 2

In furtherance of the aforementioned purposes, the Foundation may exercise all powers necessary to the carrying out of the purpose 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.
- (3) Disburse funds and make grants and advances of funds for the authorized purposes of the Foundation, including payment for transportation, tuition, maintenance and other expenses incident thereto.
- (4) Acquire, hold, and dispose of such 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.
- (5) Plan, adopt, and carry out programs, in accordance with the purposes of this Agreement.
- (6) Recommend to the Board of Foreign Scholarships of the United States of America students, trainees, professors, research scholars, teachers, instructors, resident in the Philippines, and institutions of the Philippines qualified to participate in the programs.
- (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 purposes and objectives of the Foundation.
- (8) Provide for periodic audits of the accounts of the Foundation as directed by auditors selected by the Secretary of State.
- (9) Engage 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 present Agreement.
- (10) Administer or assist in administering or otherwise facilitate educational and cultural programs and activities that further the purposes of the present Agreement but are not financed by funds made available under this Agreement, provided, however, that such programs and activities and the Foundation's role therein shall be fully described in annual or special reports made to the Secretary of State and to the Government of the Republic of the Philippines as provided in Article 7

hereof, and provided that no objection is interposed by either the Secretary of State or the Government of the Republic of the Philippines to the Foundation's actual or proposed role therein.

Article 3

All expenditures by the Foundation shall be made pursuant to an annual budget to be approved by the Secretary of State.

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 ten Directors (hereinafter designated the "Board"), five of whom shall be citizens of the United States of America and five of whom shall be citizens of the Philippines. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to the Republic of the Philippines (hereinafter designated "the 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 citizens of the United States of America on the Board, at least three of whom shall be officers of the United States Foreign Service establishment in the Philippines, shall be appointed and removed by the Chief of Mission; the citizens of the Philippines on the Board shall be appointed and removed by the Government of the Republic of the Philippines.

The Directors shall serve from the time of their appointment until one year from the following December 31 and shall be eligible for re-appointment. Vacancies by reason of resignation, transfer of residence outside the Philippines, expiration of term of service or otherwise, shall be filled in accordance with this procedure.

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 and in performing other official duties assigned by the Board.

Article 6

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 7

Reports as directed by the Secretary of State shall be made annually on the activities of the Foundation to the Secretary of State and to the Government of the Republic of the Philippines.

Special reports may be made more often at the discretion of the Board or at the request of either the Secretary of State or the Government of the Republic of the Philippines.

Article 8

The principal office of the Foundation shall be in the capital city of the Philippines 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 of America 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 Government of the United States of America and the Government of the Republic of the Philippines agree that there may be used for the purposes of this Agreement any funds, including the equivalent of \$1,500,000 in the currency of the Philippines, held or available for expenditure by the Government of the United States of America for such purposes.

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

The Secretary of State will make available to the Foundation funds in such amounts as may be required by the Foundation, but in no event may amounts in excess of the budgetary limitation established pursuant to Article 3 of the present Agreement be expended by the Foundation.

Article 11

Furniture, equipment, supplies, and any other articles intended for the official use of the Foundation shall be exempt in the territory of the Republic of the Philippines 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 the Republic of the Philippines.

Article 12

The Government of the Republic of the Philippines shall extend to residents of the United States of America engaged in educational activities in the Philippines 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 the Philippines engaged in similar activities in the United States of America.

Article 13

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 14

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 the Republic of the Philippines.

Article 15

The present Agreement supersedes the Agreement between the Government of the United States of America and the Government of the Republic of the Philippines signed at Manila on March 23, 1948, as amended.¹

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

¹ United Nations, *Treaty Series*, Vol. 43, p. 247 ; Vol. 74, pp. 292 and 296, and Vol. 337, p. 378.

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

DONE at Manila this 23rd day of March, 1963.

For the Government of the United States of America :

William E. STEVENSON

Ambassador Extraordinary and Plenipotentiary
of the United States of America to the Re-
public of the Philippines

For the Government of the Republic of the Philippines :

Salvador P. LOPEZ

Undersecretary of Foreign Affairs