

No. 6952

**UNITED STATES OF AMERICA
and
INDIA**

Agreement for financing certain educational exchange programmes (with memorandum). Signed at New Delhi, on 19 June 1963

Official text: English.

Registered by the United States of America on 8 October 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
INDE**

Accord relatif au financement de certains programmes d'échange dans le domaine de l'enseignement (avec mémorandum). Signé à New Delhi, le 19 juin 1963

Texte officiel anglais.

Energistré par les États-Unis d'Amérique le 8 octobre 1963.

No. 6952. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF INDIA FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMMES. SIGNED AT NEW DELHI, ON 19 JUNE 1963

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

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

Recalling the Agreement of 2nd February 1950 (as amended)² between the two countries on the same subject, have agreed as follows :

Article 1

The United States Educational Foundation in India established under the Indo-U.S. agreement of 2nd February, 1950 (hereinafter designated "the Foundation") shall continue to function under the terms of the present agreement. The two Governments specifically reaffirm their intention that the foundation shall continue to be recognized by the Government of the United States of America and the Government of India as an organisation created and established to facilitate the administration of the educational programme to be financed by funds made available by the Government of the United States of America under the terms of 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 of India as they relate to the use and expenditures of currencies or credits for currencies, for the purposes set forth in the present Agreement.

The funds made available by the Government of the United States of America, 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 India 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 India,

¹ Came into force on 19 June 1963, upon signature, in accordance with article 15.

² United Nations, *Treaty Series*, Vol. 89, p. 127; Vol. 222, p. 402; Vol. 358, p. 270, and Vol. 388, p. 348.

- and (ii) of or for citizens and nationals of India in United States of America 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 India of students, trainees, teachers, instructors and professors, and
 - (3) financing such other related educational and cultural programmes and activities such as an evaluation, testing and advisory centre and workshops in American studies, as are provided for in budgets approved in accordance with Article 3 hereof.

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) 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, including payment for transportation, tuition, maintenance and other expenses incidental thereto.
- (4) Acquire, hold, and dispose of 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 programmes in accordance with the purposes of the present Agreement.
- (6) Recommend to the Board of Foreign Scholarships of the United States of America, students, trainees, professors, research scholars, teachers, instructors, residents in India, and institutions of India, to participate in the programme.
- (7) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selection of participants in the programme as it may deem necessary.
- (8) Provide for periodic audits of the accounts of the Foundation as directed by auditors selected by the Secretary of State.
- (9) Engage an Executive Officer, and 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 the funds made available.

- (10) Administer or assist in administering or otherwise facilitate educational and cultural programmes 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 programmes and activities and the Foundation's role therein shall be fully described in advance in annual or special reports made to the Government of India and to the Secretary of State as provided in Article 6 hereof, and provided that no objection is interposed by either the Government of India or the Secretary of State to the Foundation's role therein.

Article 3

All commitments, obligations and expenditures by the Foundation shall be made pursuant to an annual budget to be approved by the Secretary of State. Such budgets, when approved, shall be communicated to the Government of India for its information along with a statement of the source of the funds included in the budget.

Article 4

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 India. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to India (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 Chairman as a regular member of the Board shall have the right to vote. The Government of India shall have the power to appoint and remove the citizens of India on the Board. 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 India.

The Directors 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 India, expiration of service or otherwise, shall be filled in accordance with the appointment procedures set forth in this Article.

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.

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 Government of India and the Secretary of State.

Special reports may be made more often at the discretion of the Foundation or at the request of either the Government of India or the Secretary of State.

Article 7

The principal office of the Foundation shall be in the capital city of India, 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 Executive Officer shall be responsible for the direction and supervision of the Board's programmes and activities in accordance with the Board's resolutions and directives and the provisions of this Agreement. In his absence or disability, the Board may appoint a substitute for such time as it deems necessary or desirable. In the event it is found to be impracticable for the Board to engage an Executive Officer, 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 programme.

Article 9

The Government of the United States of America and the Government of India agree that there may be used for the purposes of this Agreement any funds, including the equivalent of \$4,000,000 in the currency of India, held or available for expenditure by the Government of the United States of America for such purposes.

The Secretary of State will make available for expenditure as authorized by the Board funds in such amounts as may be required for the purpose of this

Agreement, but in no event may amounts in excess of the budgetary limitations established pursuant to Article 3 of the present Agreement be expended by the Foundation.

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.

Article 10

(1) Furniture, equipment, supplies and any other articles intended for official use of the Foundation shall be exempt in the territory of India from customs duties, excises, and surtaxes and every other form of taxation.

(2) All funds and other property used for the purposes of the Foundation within the scope of its purposes shall likewise be exempt from taxation of every kind in the territory of India.

(3) The sale or disposal in India of any such furniture, equipment, supplies, etc. shall be in accordance with the rules and regulations of the Government of India as existing at the time of such sale or disposal.

Article 11

The Government of India shall extend to citizens and nationals of the United States of America engaged in educational activities in India 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 citizens and nationals of India engaged in similar activities in the United States of America subject to the rules and regulations of the Government of India and U.S.A. applicable to foreigners.

Article 12

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 13

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 India.

Article 14

The Government of the United States of America and the Government of India shall make every effort to facilitate the exchange of persons' programme authorized in this Agreement and to resolve problems which may arise in the operation thereof.

Article 15

The present Agreement supersedes the Agreement between the Government of the United States of America and the Government of India signed at New Delhi on February 2, 1950, as amended.

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 New Delhi, in duplicate, this 19th day of June 1963 corresponding to 29th day of Jyaistha, 1885 (Saka).

For the Government
of the United States of America :
John Kenneth GALBRAITH

For the Government
of India :
M. J. DESAI

EXPLANATORY MEMORANDUM AS TO THE MANNER IN WHICH
THE GOVERNMENT OF INDIA AGREES TO IMPLEMENT THE
PROVISIONS OF ARTICLES 10 AND 11

The Government of India desires to inform the Government of the United States of America as to the manner in which it is prepared to give effect to the provisions of Article 10 and 11 with respect to the granting of exemptions from customs duties, excises and other forms of taxation on furniture, equipment, supplies and other articles intended for the use of the Foundation, and likewise to the exemption from income-tax of the beneficiaries of the Foundation working in India.

Under the existing laws, the Government of India is prevented from granting outright exemption. The Government of India, however, is prepared to make an annual grant to the Foundation of an amount equivalent to the total amount of taxes paid by the Foundation and its participants for customs duties, excises and other forms of taxation, including income-tax, for use as the Foundation sees

fit. This modification seems to accomplish the objectives as set forth in Articles 10 and 11.

The procedure outlined in this memorandum for the implementation of Articles 10 and 11 is agreeable to the Government of the United States of America.

For the Government
of the United States of America :

John Kenneth GALBRAITH

For the Government
of India :

M. J. DESAI

[SEAL]