No. 507

NORWAY
and
UNITED STATES OF AMERICA

Agreement for the use of funds made available in accordance with the Letter Credit Agreement dated 18 June 1946, accepted by the Royal Norwegian Government on 29 July 1946 (with an exchange of notes). Signed at Oslo, on 25 May 1949

Norwegian and English official texts communicated by the Permanent Representative of Norway to the United Nations. The registration took place on 29 July 1449.

NORVEGE
et
ETATS-UNIS D'AMERIQUE

Accord pour l'utilisation des fonds fournis conformément à l'accord de crédit en date du 18 juin 1946, approuvé par le Gouvernement royal norvégien le 29 juillet 1946 (avec échange de notes). Signé à Oslo, le 25 mai 1949

Textes officiels norvégien et anglais communiqués par le représentant permanent de la Norvège auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 29 juillet 1949.

No. 507. AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE ROYAL NORWEGIAN GOVERNMENT FOR THE USE OF FUNDS MADE AVAILABLE IN ACCORDANCE WITH THE LETTER CREDIT AGREEMENT DATED 18 JUNE 1946, ACCEPTED BY THE ROYAL NORWEGIAN GOVERNMENT ON 29 JULY 1946. SIGNED AT OSLO, ON 25 MAY 1949

The Government of the United States of America and the Royal Norwegian Government;

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

Considering that Section 32(b) of the United States Surplus Property Act of 1944, as amended by Public Law No. 584, 79th Congress, provides that the Secretary of State of the United States of America may enter into an agreement with any foreign government for the use of currencies or credits for currencies of such foreign government acquired as a result of surplus property disposals for certain educational activities; and

Considering that under the provisions of the Letter Credit Agreement dated June 18, 1946, addressed to the Minister of Finance, Oslo, Norway, from Horace C. Reed, Acting Central Field Commissioner for Europe, Office of the Foreign Liquidation Commissioner, United States of America, accepted by Erik Brofoss on July 29, 1946 (hereinafter designated "the Letter Credit Agreement") it is provided that in the event the Government of the United States wishes to receive local currency of the Royal Norwegian Government for the payment of any or all expenditures in Norway of the Government of the United States and its agencies (i.e. Embassy, Consular, and similar civilian expenditures), the Government of the United States may request at any time or times, and the Royal Norwegian Government agrees to furnish at such time or times, Norwegian currency at an exchange rate as provided in sub-paragraph (4) (*b*) of the Letter Credit Agreement, in any amount not in excess of the net outstanding balance of principal (whether or not due then in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter. In the event that local currency is received by the Govern-

[1] Came into force on 25 May 1949, as from the date of signature, in accordance with article 16.

ment of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal,

Have agreed as follows:

Article 1

There shall be established a foundation to be known as the United States Educational Foundation in Norway (hereinafter designated "the Foundation"), which shall be recognized by the Government of the United States of America and the Royal Norwegian Government as an organization created and established to facilitate the administration of the educational program to be financed by funds made available by the Royal Norwegian Government 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 Norway as they relate to the use and expenditures of currencies, and credits for currencies, for the purposes set forth in the present agreement.

The funds made available under the present agreement by the Royal Norwegian Government, within the conditions and limitation 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 Royal Norwegian Government for the purpose, 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 Norway or of nationals of Norway 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 nationals of Norway 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 America 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 Article 10 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 of the United States of America.

(3) Disburse funds and make grants and advances of funds for the authorized purposes of the Foundation.

(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 of the United States of America.

(5) 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.

(6) Recommend to the Board of Foreign Scholarships provided for in the United States Surplus Property Act of 1944, as amended, students, professors, research scholars, resident in Norway, and institutions of Norway qualified to participate in the programs in accordance with the aforesaid Act.

(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 purpose and objectives of the Foundation.

(8) Provide for periodic audits of the accounts of the Foundation as directed by the auditors selected by the Secretary of State of the United States of America.

(9) Engage administrative and clerical staff and fix and pay the salaries and wages thereof.

Article 3

All expenditures by the Foundation shall be made pursuant to 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 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.