

March 23, 1948

**AGREEMENT BETWEEN THE GOVERNMENT OF THE PHILIPPINES
AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA
FOR THE USE OF FUNDS MADE AVAILABLE IN ACCORDANCE
WITH THE AGREEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE
UNITED STATES OF AMERICA FOR THE SALE OF CERTAIN
SURPLUS WAR PROPERTY**

Note: The Agreement entered into force, March 23, 1948.

Reference: This Agreement is also published in I DFA TS No. 2, p. 191;
43 UNTS, P. 247 and TIAS 1730.

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

Desiring to promote further mutual understanding between the peoples of the Republic of the Philippines and the United States of America 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 (Public Law No. 584, 79th Congress; 60 Stat. 754), 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 Article 5 C (2) of the Agreement between the Government of the Republic of the Philippines and the Government of the United States of America for the sale of certain Surplus War Property signed at Manila on September 11, 1946 (hereinafter designated the "Sales Agreement") it is provided that the Government of the Republic of the Philippines shall make to the Government of the United States of America the equivalent of Two Million Dollars (\$2,000,000-United States currency) and any unexpended portion of the sum set forth in Article 5 C (1) of the Sales Agreement, to be available for the implementation of agreements to be entered into between the Government of the Republic of the Philippines and the Government of the United States of America for cultural, research, instruction, and other educational activities,

Have agreed as follows:

ARTICLE 1

There shall be established in the Philippines 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 Republic of the Philippines and the Government of the United States of America as an organization created and established to facilitate the administration of the educational program to be financed by funds made available by the Government of the Republic of the Philippines 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 Republic of the Philippines and 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 made available by the Government of the Republic of the Philippines shall be used by the Foundation 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 the Philippines or of the citizens of the Philippines 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 the Philippines 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 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 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 such property in the name of the Foundation as the Board of Directors of the Foundation may consider necessary or 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 this 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 the Philippines and institutions

of the Philippines 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 auditors selected by the Secretary of State of the United States of America.

(9) Engage administrative and clerical staff and fix 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.

ARTICLE 5

The management and direction of the affairs of the Foundation shall be vested in a Board of Directors consisting of nine Directors, (hereinafter designated the "Board").

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 have the power of appointment and removal of members of the Board at his discretion. The members of the Board shall be as follows: (a) the Chief Public Affairs Officer of the United States Embassy in the Philippines, Chairman; (b) two other members of the Embassy staff, one of whom shall serve as treasurer; (c) two citizens of the United States of America, one representative of American business interests in the Philippines and one representative of American educational interests in the Philippines; and (d) four citizens of the Philippines, at least two of whom shall be prominent in the field of education.

The six members specified in (c) and (d) of the last preceding paragraph shall be resident in the Philippines and shall serve from the time of their appointment until the succeeding December 31 next following such appointment. They shall be eligible for reappointment. The United States members shall be designated by the Chief of Mission; the Philippines members by the Chief of Mission from a list of names submitted by the Government of the Republic of the Philippines. Vacancies by reason of resignations, transfers of residence outside of 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 meetings of the Board.