

No.46

Tel Aviv, June 18, 1962.

Excellency:

I have the honor to refer to conversations between representatives of our two Governments looking toward the conclusion of an Agreement for financing certain educational exchange programs. Our representatives have reached an understanding on the language for such an Agreement and Memorandum of Understanding that would form part of that Agreement to read as follows:

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ISRAEL FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS

The Government of the United States of America and the Government of Israel,

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

Have agreed as follows:

ARTICLE 1

There shall be established a foundation to be known as the United States Educational Foundation in Israel (hereinafter

designated

Her Excellency

Mrs. Golda Meir,

Minister for Foreign Affairs

of the State of Israel.

designated "the Foundation"), which shall be recognized by the Government of the United States of America and the Government of Israel 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.

Except as provided in Article 3 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 the Agreement, shall be regarded in Israel 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 Israel 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 Israel, and (ii) of or for citizens and nationals of Israel 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 Israel of students, trainees, teachers, instructors, and professors; and

(3) financing

- (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, 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) 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 Israel, and institutions of Israel, to participate in the program.
- (3) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selection of participants in the program as it may deem necessary for achieving the purpose and objectives of the present Agreement.
- (4) Acquire, hold, and dispose of property (other than real estate) in the name of the Foundation as the Foundation may consider necessary or desirable, provided however, that the leasing of adequate housing and facilities for the activities of the Foundation will be assured.
- (5) 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

other person as may be designated. The appointment of the Treasurer or such designee shall be approved by the Secretary of State and the Treasurer or such designee shall deposit funds received in a depository or depositories designated by the Secretary of State.

- (6) 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.
- (7) Provide for periodic audits of the accounts of the Treasurer of the Foundation as directed by auditors selected by the Secretary of State.
- (8) Engage an Executive Director or 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 funds made available under the present Agreement.
- (9) 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 Israel as provided in Article 6 hereof, and provided that no objection is interposed by either the Secretary of State or the Government of Israel to the Foundation's actual or proposed role therein.

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 six members (hereinafter designated "the Board"), three of whom shall be citizens of the United States of America and three of whom shall be citizens of Israel. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to Israel (hereinafter designated "Chief of Mission"), shall be Honorary Chairman of the Board, without the right of vote, except that he shall cast the deciding vote in the event of a tie vote by the Board. He 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 Israel. The Government of Israel shall have the power to appoint and remove the citizens of Israel on the Board.

The members 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 Israel, expiration of service, or otherwise, shall be filled in accordance with the appointment procedure set forth in this article.

The members

The members shall serve without compensation, but the Board may authorize the payment of the necessary expenses of the members in attending the meetings of the Board and in performing other official duties assigned by 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 Secretary of State and the Government of Israel. Special reports may be made more often at the discretion of the Foundation or at the request of either the Secretary of State or the Government of Israel.

ARTICLE 7

The principal office of the Foundation shall be in such place in Israel as the Chief of Mission may direct, 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 Foundations's officers or staff may be carried on at such places as may be approved by the Board.

ARTICLE 8

The Government of the United States of America and the Government of Israel agree that there may be used for the purposes of this Agreement:

a)

- a) 1,170,000 Israeli pounds received by the Government of the United States from the Government of Israel pursuant to the Loan Agreement of August 5, 1955, made between Export-Import Bank of Washington, an agency of the United States of America, and the Government of Israel in accordance with Article II, first paragraph, sub-section (b) of the Surplus Agricultural Commodities Agreement of April 29, 1955, and
- b) any other funds held or available for expenditure by the Government of the United States of America for these purposes.

The Secretary of State will make available for expenditure as authorized by the Foundation 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 9

The Government of the United States of America and the Government of Israel shall make every effort to facilitate the exchange-of-persons program authorized in this Agreement and to resolve problems which may arise in the operations thereof.

United States citizens employed by the Foundation and United States grantees engaged in educational activities under the auspices of the Foundation, and accompanying members of their families, shall be exempt from all Israel income taxes and from taxes on personal property intended for their own use.

Furniture

Furniture, equipment, supplies and any other articles intended for the official use of the Foundation shall be exempt in Israel 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, including the purchase of transportation, shall be exempt from taxation of every kind in Israel.

ARTICLE 10

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 11

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 Israel.

ARTICLE 12

The present Agreement supersedes the Agreement between the Government of the United States of America and the Government of Israel signed at Washington on July 26, 1956, as amended.

If the foregoing Agreement is acceptable to your Government it is understood that this note and Your Excellency's affirmative reply thereto, together with the annexed Memorandum of Understanding, shall constitute an Agreement between our two Governments on this matter which shall enter into force on date of Your Excellency's affirmative reply.

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



Enclosure:

Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF
THE UNITED STATES OF AMERICA AND THE GOVERNMENT
OF ISRAEL RELATIVE TO THE EDUCATIONAL EXCHANGE
AGREEMENT DATED JUNE 18, 1962

With reference to the Agreement for Financing Certain Educational Exchange Programs signed this day, it is the desire of the Government of the United States of America and the Government of Israel to confirm the understanding reached during the negotiations thereof that United States citizens employed by the Foundation and United States grantees engaged in educational activities under the auspices of the Foundation will be treated as United States citizens employed by the Embassy of the United States, with respect to contributions required by the National Insurance Law of Israel.

It is understood, further, that the preceding paragraph will not affect those citizens of the United States employed by the Foundation who have previously been employed in Israel and have contributed to the National Insurance Institute of Israel.

With regard to exemption from Israel income taxes, it is understood that only such income as is derived directly from funds of the Foundation is exempt from income tax. Income derived by United States citizen employees of the Foundation, grantees, and members of their families from any other source in Israel, does not come within the exemption contained in the Agreement.



MINISTRY FOR FOREIGN AFFAIRS
JERUSALEM, ISRAEL

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Jerusalem, 22 June, 1962

Excellency:

I have the honour to acknowledge the receipt of your Note No. 46 of 18 June, 1962 which reads as follows:

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UNITED STATES OF AMERICA
AND THE GOVERNMENT OF ISRAEL
FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS

The Government of the United States of America and the Government of Israel,

Desiring

His Excellency

Mr. Walworth Barbour

Ambassador of the United States
of America

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

Have agreed as follows:

ARTICLE 1

There shall be established a foundation to be known as the United States Educational Foundation in Israel (hereinafter designated "the Foundation"), which shall be recognized by the Government of the United States of America and the Government of Israel 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.

Except as provided in Article 3 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 the Agreement, shall be regarded in Israel 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 Israel for the purposes of:

(1) financing

- (1) financing studies, research, instruction, and other educational activities (i) of or for citizens and nationals of the United States of America in Israel, and (ii) of or for citizens and nationals of Israel 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 Israel of students, trainees, teachers, instructors, and professors; and
- (3) financing such other related educational and cultural programs and activities as are provided for in budgets approved in accordance with Article 3 hereof.

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- (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 Israel, and institutions of Israel, to participate in the program.
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the program as it may deem necessary for achieving the purpose and objectives of the present Agreement.

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- (8) Engage an Executive Director or 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 funds made available under the present Agreement.
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If the foregoing Agreement is acceptable to your Government it is understood that this note and Your Excellency's affirmative reply thereto, together with the annexed Memorandum of Understanding, shall constitute an Agreement between our two Governments on this matter which shall enter into force on date of Your Excellency's affirmative reply."

I have further the honour to inform Your Excellency that the proposed Agreement and the Memorandum of Understanding attached to Your Excellency's Note are acceptable to the Government of Israel which considers Your Excellency's Note, the Memorandum of Understanding and this reply to constitute an agreement between the two Governments, entering into force on the date of this Note.

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

(signed) Golda Meir