

1948  
NEW ZEALAND

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# AGREEMENT

BETWEEN THE GOVERNMENT OF NEW ZEALAND  
AND THE GOVERNMENT OF THE UNITED STATES  
OF AMERICA FOR THE USE OF FUNDS MADE  
AVAILABLE IN ACCORDANCE WITH THE LEND-  
LEASE SETTLEMENT AGREEMENT OF 10 JULY 1946

*Wellington, 14 September 1948*

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*Presented to both Houses of the General Assembly by Leave*

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AGREEMENT BETWEEN THE GOVERNMENT OF  
NEW ZEALAND 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 NEW ZEALAND AND THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA ON SETTLEMENT  
FOR LEND-LEASE AND RECIPROCAL AID, SURPLUS  
WAR PROPERTY, AND CLAIMS, SIGNED AT  
WASHINGTON ON JULY 10, 1946.

THE Government of New Zealand and the Government of  
the United States of America ;

Desiring to promote further mutual understanding between  
the peoples of New Zealand 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 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 Section II of the  
Agreement between the Government of the United States of  
America and the Government of New Zealand on Settlement  
for Lend-Lease, Reciprocal Aid, Surplus War Property, and  
Claims, signed at Washington on July 10, 1946 (hereinafter  
designated "the Settlement Agreement") it is provided that  
the Government of New Zealand, in consideration of the  
value of surplus non-combat lend-lease aircraft and related  
spares diverted to civilian use, and of other surplus property  
covered by the contract between the Government of the United  
States and the Government of New Zealand dated December 18,  
1945, as amended in the Settlement Agreement, and in order to  
further educational and cultural relationships between the  
two countries by means of scholarships or otherwise in a  
manner mutually agreeable, will pay to the Government of  
the United States the value of such aircraft and related spares  
and surplus property as provided in paragraphs 8 and 9 of the  
Settlement Agreement, by any of the following methods

(*inter alia*) or any combination thereof designated by the Government of the United States, employing in every case the rate of 3.2442 United States dollars to one New Zealand pound ;

(a) by delivery of title to the Government of the United States by the Government of New Zealand of such real property and improvements to real property in New Zealand as may be selected and determined by agreement between the two Governments, aggregating in value not more than \$1,200,000 ;

(b) by establishment of a fund in New Zealand pounds, equivalent to not more than the remaining amount due to the Government of the United States under the Settlement Agreement, for expenditure in accordance with agreement to be reached between the two Governments for carrying out educational and cultural programmes of benefit to the two countries.

Have agreed as follows :

#### ARTICLE 1

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

All of the funds made available by the Government of New Zealand, 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 New Zealand 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 New Zealand or of the nationals of New Zealand 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 New Zealand 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 programmes, in accordance with the purposes of section 32 (*b*) of the United State 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 New Zealand, and institutions of New Zealand qualified to participate in the programme in accordance with the aforesaid Act.

(7) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selection of participants in the programme 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 eight Directors (hereinafter designated the "Board").

The principal officer in charge of the Diplomatic Mission of the United States of America to New Zealand (hereinafter designated "Chief of Mission") shall be Honorary Chairman of the Board. The members of the Board shall be as follows : (a) three officers of the United States Foreign Service Establishment in New Zealand, one of whom shall serve as Chairman and one of whom shall serve as Treasurer ; (b) two citizens of the United States of America, preferably one representative of American business interests in New Zealand and preferably one representative of American educational interests in New Zealand ; and (c) three nationals of New Zealand, one of whom shall be prominent in the field of education. The United States members shall be appointed and removed by the Chief of Mission ; the New Zealand members by Chief of Mission after consultation and agreement with the Government of New Zealand. Vacancies by reason of resignations, transfers

of residence outside of New Zealand, expiration of term of service, or otherwise shall be filled in accordance with this procedure.

The five members specified in (b) and (c) of the last preceding paragraph shall be resident in New Zealand and, subject to removal as hereinbefore provided, shall serve from the time of their appointment until the succeeding December 31 next following such appointment. They shall be eligible for reappointment.

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.

#### 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 of the United States of America shall be made annually on the activities of the Foundation to the Secretary of State of the United States of America and the Government of New Zealand.

#### ARTICLE 8

The principal office of the Foundation shall be in Wellington, 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 programme. 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. In his absence or disability, the Board may appoint a substitute for such time as it deems necessary or desirable.

## ARTICLE 10

The decisions of the Board in all matters may, in the discretion of the Secretary of State of the United States of America, be subject to his review.

## ARTICLE 11

The Government of New Zealand shall, as and when requested by the Government of the United States of America for the purposes of this agreement, make available to the Treasurer of the United States of America, amounts of currency of the Government of New Zealand up to an aggregate amount of the currency of the Government of New Zealand equivalent to \$2,300,000 (United States currency). In accordance with the terms of Section II of the Settlement Agreement the rate of exchange between currency of the Government of New Zealand and United States currency to be used in determining the amount of currency of the Government of New Zealand to be made available from time to time hereunder shall, until July 10, 1949, be 3.2442 United States dollars to one New Zealand pound. After July 10, 1949, the rate shall be the rate available to the United States of America for its diplomatic and other official expenditures in New Zealand, on the respective days such amounts of currency are made available.

The Secretary of State of the United States of America will make available to the Foundation currency of the Government of New Zealand in such amounts as may be required by the Foundation but in no event in excess of the budgetary limitations established pursuant to Article 3 of the present agreement.

## ARTICLE 12

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

## ARTICLE 13

The Government of New Zealand shall extend to citizens of the United States of America residing in New Zealand and engaged in educational activities 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 New Zealand nationals residing in the United States of America engaged in similar activities.

#### ARTICLE 14

Wherever, in the present agreement, the term "Secretary of State of the United States of America" 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 15

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 New Zealand.

#### ARTICLE 16

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 Wellington this fourteenth day of September, 1948.

For the Government of New Zealand :

P. FRASER.

For the Government of the United States of America :

R. M. SCOTTEN.

*Approximate Cost of Paper.*—Preparation, not given ; printing (528 copies), £12 10s.

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*Price 6d.*]