

## COOPERATIVE EDUCATION PROGRAM

*Exchange of notes at Panama September 23 and 24, 1948, with basic agreement of February 25, 1946, and extension agreement of September 28, 1948*

*Entered into force September 24, 1948; operative from June 30, 1948  
Program expired June 30, 1960*

62 Stat. 4084; Treaties and Other  
International Acts Series 2148

### EXCHANGE OF NOTES

*The American Ambassador to the Minister of Foreign Affairs*

No. 58

PANAMÁ, PANAMÁ, *September 23, 1948*

#### EXCELLENCY:

I have the honor to refer to the notes exchanged on November 13 and 14, 1944,<sup>1</sup> between the Ambassador of the United States to your Government and the Minister of Foreign Affairs and to the Basic Agreement between the Republic of Panamá and the Inter-American Educational Foundation, Inc., dated February 25, 1946,<sup>2</sup> which provided for the initiation and execution of the existing cooperative education program in Panamá. I also refer to Your Excellency's note of August 7, 1948, suggesting the consideration by our respective Governments of a further extension of that Agreement. In accordance with legislation enacted during 1947 by the Congress and approved by the President of the United States all of the property, funds, functions, personnel, liabilities, and restrictions of the Inter-American Educational Foundation, Inc., were transferred to The Institute of Inter-American Affairs, a corporate instrumentality of the United States created by such legislative action. Consequently, the participation by the United States in the cooperative education program is now being effectuated through The Institute of Inter-American Affairs.

As Your Excellency knows, the Basic Agreement of February 25, 1946, provides that the cooperative education program will terminate on June 30, 1948. However, considering the mutual benefits which both governments are deriving from the program, my Government agrees with the Govern-

<sup>1</sup> EAS 504, *ante*, p. 832.

<sup>2</sup> See p. 848.

ment of Panamá that an extension of such program would be desirable. I have been advised by the Department of State in Washington that arrangements may now be made for the Institute to continue its participation in the cooperative program for a period of one year, from June 30, 1948, through June 30, 1949. It would be understood that, during such period of extension, the Institute would make a contribution of \$41,199.00 U.S. Currency to the Servicio Cooperativo Interamericano de Educación for use in carrying out project activities of the program on condition that your Government would contribute to the Servicio for the same purpose the sum of B/s 101,000.00. The Institute would also be willing during the same extension period to make available an amount not exceeding \$20,000.00 U.S. Currency to be retained by the Institute, and not deposited to the account of the Servicio, for payment of salaries and other expenses of the members of the Institute Education Division Field Staff, who are maintained by the Institute in Panamá. The amounts referred to would be in addition to the sums already required under the present Basic Agreement to be contributed and made available by the parties in furtherance of the program.

If Your Excellency agrees that the proposed extension on the above basis is acceptable to your Government, I would appreciate receiving an expression of Your Excellency's opinion and agreement thereto as soon as may be possible in order that the technical details of the extension may be worked out by officials of the Ministry of Education and The Institute of Inter-American Affairs.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest and most distinguished consideration.

MONNETT B. DAVIS

His Excellency

ERNESTO JAÉN GUARDIA,  
*Minister for Foreign Affairs,*  
*Panamá, Panamá*

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*The Minister of Foreign Affairs to the American Ambassador*

[TRANSLATION]

MINISTRY FOR FOREIGN AFFAIRS

D.P. No. 1733

PANAMÁ, *September 24, 1948*

MR. AMBASSADOR:

I have the honor to refer to your Excellency's courteous communication No. 58 of the 23rd instant, the text of which is as follows:

[For text, see above.]

In reply, I have the honor to inform Your Excellency that the Government of the Republic accepts the proposed extension on the terms set forth in the note transcribed above.

I avail myself of this opportunity to express to you the assurances of my highest and most distinguished consideration.

E. JAÉN GUARDIA  
Ernesto Jaén Guardia  
*Minister of Foreign Affairs*

His Excellency  
MONNETT B. DAVIS,  
*Ambassador of the United States,  
City.*

#### EXTENSION AGREEMENT

The Government of the Republic of Panama (hereinafter referred to as the "Republic"), represented by Manuel Varela Jr., the Minister of Education (hereinafter referred to as the "Minister"), and The Institute of Inter-American Affairs (hereinafter referred to as the "Institute"), a corporate instrumentality of the Government of the United States of America and successor to the Inter-American Educational Foundation, Inc., (hereinafter referred to as the "Foundation"), represented by its Special Representative, Education Division, Ernest C. Jeppsen (hereinafter referred to as the "Special Representative"), have agreed, pursuant to the request of the Republic, and in accordance with the note dated August 7, 1948, between the American Ambassador and the Panamanian Minister for Foreign Affairs, upon the following technical detail, for extending and modifying, in the manner hereinafter set forth, the Agreement executed by the Republic and the Foundation on February 25, 1946, (hereinafter referred to as the "Basic Agreement"), providing for a cooperative educational program to be carried on in Panama.

#### CLAUSE I

The cooperative educational program provided for in the Basic Agreement is hereby extended for an additional period of one year from June 30, 1948, through June 30, 1949.

All activities which have been and are being carried out in accordance with the Basic Agreement by the parties concerned from June 30, 1948, to and including the effective date of this Extension Agreement are hereby ratified and approved in full.

#### CLAUSE II

In addition to the funds originally required by the Basic Agreement to be contributed or otherwise made available by the parties hereto with respect to the cooperative educational program, the parties hereto shall contribute and make available additional funds for use in continuing the program during the period covered by this Extension Agreement in accordance with the following schedule:

A. The Institute shall make available the funds necessary to pay the salaries and all other expenses of its field staff in Panama during the period covered by this Extension Agreement, provided that the amount of such funds shall not exceed \$41,199.00. This amount shall be administered by the Institute and shall not be deposited to the credit of the Servicio Cooperativo Interamericano de Educacion (hereinafter referred to as the "Servicio").

B. The Institute shall deposit to the credit of the Servicio the sum of \$20,000.00, as follows:

On or before November 1, 1948 . . . . .	\$10,000.00
On or before February 1, 1949 . . . . .	\$10,000.00
Total . . . . .	<u>\$20,000.00</u>

C. The Republic shall deposit to the credit of the Servicio the sum of B/s 101,000.00, as follows:

On or before November 1, 1948 . . . . .	B/ 36,000.00
On or before February 1, 1949 . . . . .	B/ 35,000.00
On or before March 1, 1949 . . . . .	B/ 30,000.00
Total . . . . .	<u>B/101,000.00</u>

In addition, the Ministry of Education shall provide the necessary instructional staff for Servicio Projects, as indicated in each Project Agreement. If additional funds are available from the Republic, they shall be allocated to specific projects as needed and as agreed upon by the Minister of Education and the Special Representative.

D. Funds deposited to the credit of the Servicio pursuant to Clause II of this agreement by one of the parties shall not be available for withdrawal or expenditure until the other party's deposit scheduled on the same date has been made.

### CLAUSE III

The parties hereto, by written agreement of the Minister and the Special Representative, may amend the schedules for making the deposits required by Clause II hereof, may provide for advance purchases of equipment or materials by either party with appropriate credit against the payments due under the schedules, and may provide for contributions of funds by either or both parties, or by third parties, for use in effectuating the cooperative educational program in addition to the funds required to be contributed by this Extension Agreement and the Basic Agreement.

### CLAUSE IV

The Basic Agreement shall remain in full force and effect for the purpose of extending the cooperative educational program, as provided herein, and

all provisions of the Basic Agreement shall be applicable to all operations and activities under this Extension Agreement to the same extent and with the same effect as though expressly set forth herein; EXCEPT that the Basic Agreement, in its application to the period provided for in this Extension Agreement, shall be deemed to be amended and supplemented by the provisions of this Extension Agreement including the following particulars:

1. The parties hereto declare their recognition that the Institute, being a corporate instrumentality of the United States of America wholly owned, directed, and controlled by the Government of the United States of America, is entitled to share fully in all the privileges and immunities, including immunity from suit in the courts of the Republic, which are enjoyed by the United States of America.

2. The parties hereto agree that any funds which remain unexpended on the termination of this Extension Agreement, shall, unless otherwise agreed upon in writing by the parties hereto at that time, be returned to the parties hereto in the proportion of the respective contributions made by the parties under the Basic Agreement and under Clause II of this Extension Agreement.

3. By mutual agreement between the Minister and the Special Representative, funds of the Servicio may be used to reimburse or defray the salaries, living expenses, travel and transportation costs, and other expenses of such additional personnel of the Education Division of the Institute in Panama as the parties mentioned may agree are necessary to be employed, in addition to the employees referred to under Clause II hereof. Such funds may be contributed or granted for such purposes by the Servicio to the Institute or to any other organization, but in every case the Minister and the Special Representative will enter into a written project agreement setting forth the scope and the other necessary terms of such contributions or grants.

4. All references in the Basic Agreement to the Inter-American Educational Foundation, Inc., shall, for the purpose of this Extension Agreement, be deemed to refer to the Institute.

#### CLAUSE V

The Republic undertakes to obtain or promulgate such legislation, decrees, orders or resolutions as may be necessary to effectuate the terms of this Extension Agreement.

#### CLAUSE VI

This Extension Agreement shall become effective upon ratification by the National Assembly of the Republic of Panama.<sup>3</sup>

IN WITNESS WHEREOF, the parties hereto have caused this Extension Agreement to be executed by their duly authorized representatives, in quintuplicate,

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<sup>3</sup> The National Assembly ratified the agreement on Feb. 8, 1949.

in the Spanish and English languages, in Panama, Republic of Panama, this 28th day of September, 1948.

Republic of Panamá

By

M. VARELA, Jr.

The Institute of Inter-American Affairs

By

ERNEST C. JEPSEN

#### BASIC AGREEMENT

THE GOVERNMENT OF THE REPUBLIC OF PANAMA, (hereinafter called the Government), represented by the Minister of Education, and the Inter-American Educational Foundation, Inc., a corporation of the Office of Inter-American Affairs and an agency of the Government of the United States of America (hereinafter called the Foundation), represented by its President, have decided to execute the following agreement for the purpose of carrying out a cooperative educational program designed to promote closer inter-American relations through the exchange of educators, ideas, and educational methods between Panama and the United States, pursuant to Resolution No. 28, adopted by the First Conference of Ministers and Directors of Education of the American Republics held in Panama from September to October, 1943, and to Resolution No. 58, adopted by the Inter-American Conference on the Problems of War and of Peace, held in the City of Mexico, from February to March, 1945. For the aforesaid purpose the contracting parties agree as follows:

1. The Government shall create as an integral part of the Ministry of Education a body to be called Servicio Cooperativo Interamericano de Educacion (hereinafter called the Servicio) which shall be the intermediary between the Government of Panama and the Foundation.

2. The personnel that the Foundation may send to Panama shall be under the direction of an official who shall have the title of Special Representative of the Inter-American Educational Foundation, Inc., and who shall represent the Foundation in all activities connected with the program to be carried out under the terms of the present agreement. The Special Representative, as well as the other experts sent by the Foundation, must be acceptable to the Government in order to exercise their functions.

3. The Special Representative of the Foundation shall be the Director of the Servicio. The Executive Power shall appoint the personnel of the Servicio in accordance with the recommendation of the Minister of Education and the Director of the Servicio, and shall in like manner determine the salaries

and working conditions of said personnel. The Director of the Servicio shall administer, superintend, and direct the other affairs of the Servicio. Such contracts as may be necessary to carry out any project of the Cooperative Educational Program shall be executed in the name of the Servicio by the Director thereof or by the representative he may designate.

4. The Cooperative Educational Program which shall place special emphasis on vocational education may include:

(a) The furnishing by the Foundation of a vocational educational specialist, who will be the Special Representative, and such additional expert or experts as may be needed in the opinion of the Minister of Education and the Special Representative of the Foundation to carry out the Cooperative Educational Program and as may be retained with the limited funds available.

(b) The arrangements that are necessary in order that educators of Panama can go to the United States at the expense of the Servicio for the purpose of perfecting themselves in their respective specialties, deliver lectures, teach, and exchange ideas and experiences with educators in the United States;

(c) The study and investigation of the educational needs and resources of Panama for the purpose of carrying out certain projects connected with the training of personnel to teach in primary, secondary, and normal institutions;

(d) The elaboration, adaptation, and exchange of suitable educational material and any other plans that may be necessary to carry out the program in Panama.

5. The aforesaid Cooperative Educational Program shall consist of specific projects. The nature of these projects and the activities engaged in, as well as the allocation of the necessary funds, shall be determined by agreement between the Minister of Education and the Special Representative and shall be carried out through the agency of the Servicio, in accordance with such rules and procedures as may be decided upon by mutual agreement between the Minister of Education and the Representative of the Foundation. The Minister of Education shall be the representative of the Government in all matters pertaining to the Cooperative Educational Program.

6. The total contribution of the Foundation to the Cooperative Educational Program shall be FIFTY THOUSAND DOLLARS (\$50,000.00), currency of the United States; said sum shall be retained by the Foundation and shall be used for the payment of the salaries and other expenses of the Foundation's experts who render services to the Cooperative Educational Program in Panama. In the event that the Foundation should consider at any time during the term of the present agreement that the sum of FIFTY THOUSAND DOLLARS

(\$50,000.00) is more than is required for the payment of the salaries and other expenses of the experts, the Foundation shall notify the Minister of Education, and such unnecessary amount as there may be shall be deposited to the account of the Servicio in such manner as may be determined by mutual agreement between the Minister of Education and the Special Representative of the Foundation. The direct contribution to be made by the Government to the Cooperative Educational Program, shall be not less than FIFTY THOUSAND BALBOAS (B/s. 50,000); said sum shall be deposited in the account of the Servicio on the dates hereinafter stipulated, unless other dates are fixed by mutual agreement between the Minister of Education and the Special Representative of the Foundation.

<i>Date</i>	<i>Amount</i>
Within a period of 60 days after the approval of the present agreement by the Cabinet of the Republic of Panama . . . . .	B/s. 10, 000
On or about the 15th of the twelfth month after the date stipulated for making the first deposit . . . . .	20, 000
On or about the 15th of the twelfth month after the date stipulated for making the second deposit . . . . .	20, 000
	B/s. 50, 000

The Foundation also agrees to furnish the Government with the technical assistance and advice of its vocational educational specialists in the planning of a School of Arts and Crafts in the City of Panama which the Government plans to establish at an approximate cost of TWO MILLION BALBOAS (B/s. 2,000,000) and in the establishment of other institutions that may be necessary for the development of vocational education in the country.

7. The Foundation also agrees to furnish the Cooperative Educational Program with all the assistance it can render by reason of its organization and personnel in the United States of America, its relations with other cooperating educational bodies in the United States, its experience and its special facilities, which, within the limits imposed by the funds available, may provide many of the services required in connection with the tours and studies of Panamanian educators who go to the United States.

The Government also agrees to:

- (a) Appoint specialists to collaborate with Foundation personnel and to pay for the services thereof.
- (b) Make available quarters, furniture, office supplies, materials, equipment, transportation, and other materials that may be necessary in carrying out the program and
- (c) Lend the cooperation of its other departments and agencies.

8. In the cases in which some of the materials needed in carrying out the program are purchased in the United States, the Minister of Education

and the Special Representative of the Foundation may agree that such purchase be made through the Foundation and may determine the manner of payment to be adopted.

9. The funds contributed by the contracting parties to the account of the Servicio shall be available to the Cooperative Educational Program throughout the life of this agreement. In the event that the account of the Servicio should earn any interest, it shall be spent on the Cooperative Educational Program. The Minister of Education and the Special Representative of the Foundation shall decide by mutual agreement what disposal is to be made of any unobligated funds remaining in said bank account of the Servicio upon the termination of the present contract. The expenditures of the Servicio as well as the account thereof shall be at all times subject to examination by the Office of the Comptroller General of the Republic.

10. The Servicio shall be exempt from all imposts, taxes, fees, charges, or customs duties, whether national, provincial, or municipal, and from all requirements as to permits and licenses. The Servicio and its personnel shall also enjoy all of the rights and privileges enjoyed by officials of the Republic of like rank. Such rights and privileges shall include, for instance, postal, telegraph, and telephone franks, and the right to special rates granted to the Ministries of the Republic by maritime, railway, and air companies, domestic and national telegraphs and telephones, etc. The Government agrees that the Inter-American Educational Foundation, Inc., since it is, as stated in the beginning, a corporation of the Office of Inter-American Affairs and an agency of the Government of the United States of America, as well as the Foundation's personnel shall enjoy the exemptions, immunities, rights, and privileges hereinbefore mentioned. The officials of the Foundation who are citizens of the United States of America shall be exempt from any and all Panamanian taxes on income, and from the social security contributions with respect to income which they are obliged to pay to the Government of the United States of America, and from all taxes on articles of personal use. Said employees shall also be exempt from customs duties on their personal effects, supplies, and equipment imported or exported for their own use.

11. Any power, authority, or function that may be conferred by this agreement upon the Minister of Education or upon the Special Representative of the Foundation, may be delegated by them to their representatives or substitutes, provided such representatives are satisfactory to both officials.

12. The Government agrees to issue such decrees, resolutions or orders as may be necessary to carry out the terms of this agreement and to ask from the Legislative Power such legislation as may be required to the same end.

13. The present agreement shall remain in force until June 30, 1948, and may be cancelled by either of the parties on that date, or at any time thereafter, by notifying the other party in writing at least 60 days in advance.

In witness whereof, the contracting parties hereto have caused this agreement to be executed in English and Spanish by their duly authorized representatives in Panama, Republic of Panama, this 25th day of February 1946.

For the Inter-American Educational Foundation, Inc.:

KENNETH HOLLAND [SEAL]

*President*

For the Republic of Panama:

JOSÉ D. CRESPO [SEAL]

*Minister of Education*