

No. 5761

**UNITED STATES OF AMERICA
and
ICELAND**

**Exchange of notes constituting an agreement relating to
economic assistance. Washington, 30 December 1960**

Official text: English.

Registered by the United States of America on 17 July 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
ISLANDE**

**Échange de notes constituant un accord d'assistance éco-
nomique. Washington, 30 décembre 1960**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 17 juillet 1961.

No. 5761. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND ICELAND RELATING TO ECONOMIC ASSISTANCE. WASHINGTON, 30 DECEMBER 1960

I

The Secretary of State to the Icelandic Ambassador

DEPARTMENT OF STATE
WASHINGTON

December 30, 1960

Excellency:

I have the honor to refer to your note of July 30, 1960,² my note of August 11, 1960,³ and our recent conversations regarding the Government of Iceland's application for a six million dollar assistance grant to provide support for its economic stabilization program. I am now authorized to inform you that, in accordance with the economic Cooperation Agreement between our two Governments signed at Reykjavik, July 3, 1948, as subsequently modified and extended,³ the Government of the United States of America will provide the sum of six million dollars on a grant basis to your Government. It is understood that:

1. This grant will be used to finance imports essential to the stability of Iceland's economy pursuant to procurement authorizations issued by the International Cooperation Administration.

2. The Government of Iceland will deposit kronur in amounts commensurate with the assistance provided under this Agreement in the special account referred to in Article IV, paragraph 2, of the above-mentioned Economic Cooperation Agreement. However, the kronur deposited hereunder and available under paragraph 6 of Article IV will be held in the account until such time as our two Governments may agree that the Iceland economy can absorb without strain the release of such kronur for mutually agreed economic development projects. Similarly, kronur deposited hereunder and available for official expenditures of the Government of the United States of America as provided under paragraph 4 of Article IV, as amended by the

¹ Came into force on 30 December 1960 by the exchange of the said notes.

² Not printed by the Department of State of the United States of America.

³ United Nations, *Treaty Series*, Vol. 20, p. 141 ; Vol. 79, p. 280 ; Vol. 148, p. 398, and Vol. 223, p. 316.