

hereinabove specified. Our governments propose to make these payments before the end of the second month of each quarter, or within thirty days after their representatives at ICAO shall have received from ICAO the appropriate notice of the amount due, whichever of these dates may be the later. Any differences between the actual amounts due for any period, as determined when the costs incurred during the period have been fully reported, and the initial estimates of such amounts by ICAO shall be adjusted in the first periodic payment to be made after the amount of such differences has been determined.

The Governments of Canada and of the United States propose to make their payments in dollars, either U.S. or Canadian at their election. The other governments whose representatives are signatories hereto propose to make their payments in U.S. or Canadian dollars or in pounds sterling, at their election.

The present arrangement is to be considered as of interim character, pending completion of a more formal agreement.

Our governments propose to make payments as indicated herein until they shall give notice of their intention of terminating such payments. At least six months' notice will be given of any decision to withdraw; and a State filing such notice shall have no obligation to contribute to the cost of operation of the station or to the costs of ICAO beyond the specified withdrawal date. If, for any reason, the payment for any quarterly period by any of our governments cannot be regarded as assured, notice of that fact will be given to ICAO by the government concerned at least ninety days before the beginning of the quarter with respect to which the difficulty may arise.

In the event that operation of the station is terminated for any reason, payments will cease to accrue to the Government of Iceland upon the date of such termination; the proportion of any payments made previously to that date which represented the anticipated cost for a period beyond the actual date of termination shall be returned to the States which contributed them.

In the event that one or more contributing States should be unable to maintain their payments, or to make any particular payment, it is our understanding that ICAO will call a meeting of the representatives of the remaining States to consider the situation thus created and to seek to find means of meeting the deficiency thus occasioned in the provision for the operating costs of the station.

In the event that the payments made for any particular quarterly period are not sufficient to cover the full amounts payable hereunder, it is understood that payments to the Government of Iceland will have priority over those to ICAO.

In the event that additional States should engage in trans-Atlantic air operations or for any other reason desire to participate in the financing of the Icelandic Loran station, it is our understanding that the President of the Council of ICAO will either (1) call a meeting of the representatives of the contributing States and of the potential new contributor to consider the equitable distribution of costs under the new situation thus created; or (2) in case it is impracticable to call such a meeting at the time, will agree with the new contributor upon the proportion of the total cost that it is to pay and will then propose to the other contributing States any reductions that should be made in their own payments in view of the additional revenue thus received.

The undersigned hereby advise you of the readiness of their governments to make such payments in accordance with the terms set forth herein.