



17 December, 1974.

My dear Minister,

I have the honour to refer to the discussions that have taken place between the representatives of our respective Governments concerning the contribution by the Government of New Zealand toward the improvement in the financial situation and the reorganisation of Air Pacific Ltd. I now have the honour on behalf of the Government of New Zealand to propose that this assistance be in the form of a loan to the Government of Fiji made in accordance with the following terms :-

- (1) The Government of New Zealand will advance to the Government of Fiji a loan which will be a charge upon the public revenues of Fiji of the sum of six hundred and fifty-eight thousand, thirty four dollars and fifty nine cents (NZ\$ 658,034.59) in New Zealand currency to be applied by the Government of Fiji toward the purchase of further shares in Air Pacific Ltd.
- (2) The term of the loan described in paragraph (1) above shall be eight years and repayment shall be by five equal annual instalments to be paid in New Zealand currency by the Government of Fiji to the Government of New Zealand, the first such instalment to be paid at the expiration of the fourth year from the date on which the loan is advanced by the Government of New Zealand to the Government of Fiji.
- (3) Interest on the loan described in paragraph (1) above shall not accrue for three years from the date of the advance; thereafter during the ensuing period of five years, interest in New Zealand currency shall be paid by the Government of Fiji to the Government of New Zealand calculated at a rate of three per cent on the total principal outstanding at the relevant time, such payments of interest to be made concurrently with the repayments of principal described in paragraph (2) above.

/4

The Honourable C.A. Stinson,
Minister of Finance,
Ministry of Finance,
SUVA.

- (4) The Government of Fiji shall apply the monies received pursuant to this agreement for the purchase of further share capital in Air Pacific Ltd.
- (5) Representatives of the Government of New Zealand and the Government of Fiji will settle to the satisfaction of both Governments such further terms and arrangements as are necessary to give effect to this agreement.

I would note that the Fiji dollar equivalent of the sum in New Zealand dollars mentioned in paragraph (1) above is F\$81,000 at the date on which the loan was advanced by the Government of New Zealand to the Government of Fiji. Repayments of principal and interest however under the provisions of paragraphs (2) and (3) above are to be made at the official currency exchange rate between Fiji and New Zealand prevailing on the date of repayment.

If the foregoing provisions are acceptable to the Government of Fiji, I have the honour to suggest that the present letter and your reply in similar terms should constitute an agreement between our two Governments which shall enter into force on the date of your reply and shall remain in force for the duration of the loan.

Yours sincerely,

G. K. Ansell,
High Commissioner.



Ministry of Finance,
Government Buildings,
Suva, Fiji

17th December, 1974

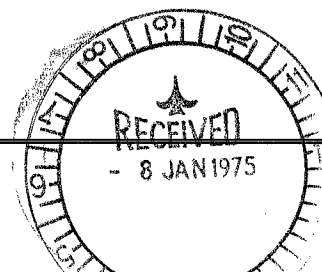
My dear High Commissioner,

I refer to your letter of today's date which reads as follows:

" I have the honour to refer to the discussions that have taken place between the representatives of our respective Governments concerning the contribution by the Government of New Zealand toward the improvement in the financial situation and the reorganisation of Air Pacific Ltd. I now have the honour on behalf of the Government of New Zealand to propose that this assistance be in the form of a loan to the Government of Fiji made in accordance with the following terms:-

- (1) The Government of New Zealand will advance to the Government of Fiji a loan which will be a charge upon the public revenues of Fiji of the sum of six hundred and fifty-eight thousand, thirty four dollars and fifty nine cents (NZ\$ 658,034.59) in New Zealand currency to be applied by the Government of Fiji toward the purchase of further shares in Air Pacific Ltd.
- (2) The term of the loan described in paragraph (1) above shall be eight years and repayment shall be by five equal annual instalments to be paid in New Zealand currency by the Government of Fiji to the Government of New Zealand, the first such instalment to be paid at the expiration of the fourth year from the date on which the loan is advanced by the Government of New Zealand to the Government of Fiji.
- (3) Interest on the loan described in paragraph (1) above shall not accrue for three years from the date of the advance; thereafter during the ensuing period of five years, interest in New Zealand currency shall be paid by the Government of Fiji to the Government of New Zealand calculated at a rate of three per cent on the total principal outstanding at the relevant time, such payments of interest to be made concurrently with the repayments of principal described in paragraph (2) above.

His Excellency Mr. G.K. Ansell,
High Commissioner for New Zealand,
New Zealand High Commission,
SUVA.



- (4) The Government of Fiji shall apply the monies received pursuant to this agreement for the purchase of further share capital in Air Pacific Ltd.
- (5) Representatives of the Government of New Zealand and the Government of Fiji will settle to the satisfaction of both Governments such further terms and arrangements as are necessary to give effect to this agreement.

I would note that the Fiji dollar equivalent of the sum in New Zealand dollars mentioned in paragraph (1) above is F\$681,000 at the date on which the loan was advanced by the Government of New Zealand to the Government of Fiji. Repayments of principal and interest however under the provisions of paragraphs (2) and (3) above are to be made at the official currency exchange rate between Fiji and New Zealand prevailing on the date of repayment.

If the foregoing provisions are acceptable to the Government of New Zealand, I have the honour to suggest that the present letter and your reply in similar terms should constitute an agreement between our two Governments which shall enter into force on the date of your reply and shall remain in force for the duration of the loan. "

I have the honour to inform you that the Government of Fiji accepts the foregoing provisions and regards your letter and my present reply as constituting an agreement between our two Governments.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'C.A. Stinson', followed by a horizontal line.

(C.A. Stinson)
Minister of Finance.