



NEW ZEALAND HIGH COMMISSION
APIA, WESTERN SAMOA

10 July 1975

My dear Minister,

I have the honour to refer to discussions which have recently taken place between representatives of our respective Governments concerning the grant of a development loan by the Government of New Zealand to the Government of Western Samoa. I now propose on behalf of the Government of New Zealand that an Agreement be reached between our two Governments in the following terms:

1. The Government of New Zealand shall make available to the Government of Western Samoa a loan, which shall be a charge upon the public revenues of Western Samoa, of the sum of \$1,000,000 in New Zealand currency to be applied by the Government of Western Samoa to the implementation of the 1975/79 Western Samoa Development Plan. The term of the loan shall be for 25 years commencing on the tenth day of July 1975.
2. The Government of Western Samoa shall pay interest on the loan at the rate of 3 per cent per annum which shall accrue with effect from the date of commencement of the loan.
3. The Government of Western Samoa shall pay to the New Zealand Government in New Zealand currency on the ninth day of July in each year for five years from the date of the advance equal annual instalments of \$30,000, being payments of interest due to that date in respect of the total sum available under the loan; thereafter, on the ninth day of July in each year during the ensuing period of twenty years,

/the Government

Hon. P.P.S. Sa'ili,

Minister of Finance of Western Samoa.

APIA.

the Government of Western Samoa shall pay to the New Zealand Government in New Zealand currency equal annual instalments of 367,215.71, being payments in respect of principal and of interest calculated on the reducing balance of the loan.

4. Notwithstanding the foregoing provisions, the Government of Western Samoa shall be free at any time to repay to the Government of New Zealand in New Zealand currency the whole of the loan that is then outstanding, together with accrued interest thereon calculated up to the date of repayment.
5. Unless otherwise agreed between the two Governments, the loan moneys shall be used by the Government of Western Samoa solely for payments in respect of the purchase in New Zealand of goods and equipment produced or manufactured in New Zealand or in respect of services rendered in New Zealand or in Western Samoa by persons ordinarily resident or carrying on business in New Zealand.
6. Representatives of the Government of New Zealand and of the Government of Western Samoa shall settle to the satisfaction of both Governments, such further terms and arrangements as may be necessary to give effect to this Agreement.

If the foregoing provisions are acceptable to the Government of Western Samoa I have the honour to suggest that the present letter and your reply to that effect shall constitute an Agreement between our two Governments which shall enter into force on the date of your reply.

Yours sincerely,

W. J. G. G. G.

High Commissioner



GOVERNMENT OF WESTERN SAMOA

OFFICE OF THE MINISTER OF FINANCE, CUSTOMS, ECONOMIC DEVELOPMENT,
INLAND REVENUE AND STATISTICS

P.O. Box 44,
Apia,
Western Samoa.

10 July 1975

Dear High Commissioner,

DEVELOPMENT LOAN FROM THE GOVERNMENT OF NEW
ZEALAND - NZ\$1,000,000

I have the honour to reply to your letter dated 10 July 1975, in connection with the above Government-to-Government Loan of NZ\$1,000,000 in which our two Governments should reach agreement on the following terms:

- "1. The Government of New Zealand shall make available to the Government of Western Samoa a loan, which shall be a charge upon the public revenues of Western Samoa, of the sum of \$1,000,000 in New Zealand currency to be applied by the Government of Western Samoa to the implementation of the 1975/79 Western Samoa Development Plan. The term of the loan shall be for 25 years commencing on the tenth day of July 1975.
2. The Government of Western Samoa shall pay interest on the loan at the rate of 3 per cent per annum which shall accrue with effect from the date of commencement of the loan.
3. The Government of Western Samoa shall pay to the New Zealand Government in New Zealand currency on the ninth day of July in each year for five years from the date of the advance equal annual instalments of \$30,000, being payments of interest due to that date in respect of the total sum available under the loan; thereafter, on the ninth day of July in each year during the ensuing period of twenty years, the Government of Western Samoa shall pay to the New Zealand Government in New Zealand currency equal annual instalments of \$67,215.71, being payments in respect of principal and of interest calculated on the reducing balance of the loan.

4. Notwithstanding the foregoing provisions, the Government of Western Samoa shall be free at any time to repay to the Government of New Zealand in New Zealand currency the whole of the loan that is then outstanding, together with accrued interest thereon calculated up to the date of repayment.
5. Unless otherwise agreed between the two Governments, the loan moneys shall be used by the Government of Western Samoa solely for payments in respect of the purchase in New Zealand of goods and equipment produced or manufactured in New Zealand or in respect of services rendered in New Zealand or in Western Samoa by persons ordinarily resident or carrying on business in New Zealand.
6. Representatives of the Government of New Zealand and of the Government of Western Samoa shall settle to the satisfaction of both Governments, such further terms and arrangements as may be necessary to give effect to this Agreement."

I have the honour to confirm that the above provisions are acceptable to my Government, and this reply shall therefore constitute an Agreement between our two Governments which shall come into force as from today, 10 July 1975.

Yours sincerely,



(F.P.S. Sa'ili)

MINISTER OF FINANCE

His Excellency
The High Commissioner for New Zealand
Mr P. Cotton
N.Z. High Commission
A P I A