

No. 11642

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**NEW ZEALAND  
and  
WESTERN SAMOA**

**Exchange of letters constituting an agreement concerning the  
guarantee of investment securities. Apia, 27 November 1970**

*Authentic text : English.*

*Registered by New Zealand on 16 March 1972.*

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**NOUVELLE-ZÉLANDE  
et  
SAMOA-OCCIDENTAL**

**Échange de lettres constituant un accord relatif à la garantie des  
bons d'investissement. Apia, 27 novembre 1970**

*Texte authentique : anglais.*

*Enregistré par la Nouvelle-Zélande le 16 mars 1972.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF NEW ZEALAND AND THE GOVERNMENT OF WESTERN SAMOA CONCERNING THE GUARANTEE OF INVESTMENT SECURITIES

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I

*The High Commissioner for New Zealand in Western Samoa  
to the Prime Minister of Western Samoa*

OFFICE OF THE HIGH COMMISSIONER FOR NEW ZEALAND

Apia, Western Samoa, 27 November 1970

My dear Prime Minister,

I refer to discussions which have taken place between the representatives of our respective Governments concerning the guarantee by the Reserve Bank of New Zealand on behalf of the Government of New Zealand of the value of investments of the Government of Western Samoa and the Copra Board of Western Samoa, and the maintenance of a minimum level of those investments in New Zealand. 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 Reserve Bank of New Zealand, acting on behalf of the Government of New Zealand, guarantees to maintain the New Zealand value in terms of United States dollars of investments held in New Zealand Government securities by the Government of Western Samoa and by the Copra Board of Western Samoa to the extent of 90 per cent of the nominal value of such investments. A form of guarantee given by the Bank is attached to this letter.<sup>2</sup> Any settlement arising out of this guarantee shall be based on the relative I.M.F. parity values of the United States dollar and the New Zealand dollar.

2. The Government of Western Samoa undertakes to maintain in New Zealand Government securities the maximum amount of its overseas reserves and investments compatible with its obligations under existing guarantee arrangements with the Government of the United Kingdom and with its normal working capital requirements, and to ensure the maintenance by the Copra Board of Western Samoa of the maximum amount of the Copra Board's overseas investments in New Zealand Government securities compatible with its normal requirements for working capital and other

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<sup>1</sup> Came into force on 27 November 1970, the date of the letter in reply, in accordance with the provisions of the said letters.

<sup>2</sup> Not an integral part of the Agreement. (Information provided by the Government of New Zealand.)

operations. The Government of Western Samoa undertakes to report the position of its and the Copra Board's overseas reserves and investments to the Reserve Bank of New Zealand at regular intervals in a form specified by the Bank.

3. The income earned by the Government of Western Samoa and the Copra Board of Western Samoa by way of interest on the New Zealand Government securities which are the subject of this Agreement shall be exempt from all income tax in New Zealand.

4. The provisions of this Agreement shall be reviewed :

- (a) in the event of and following any implementation of the guarantee provided for in paragraph 1 above;
- (b) within six months prior to 25 September 1971; and
- (c) at any other time at the request of either Government.

5. The Agreement shall enter into force on the date of your reply to this letter in the terms mentioned below and, subject to any review in terms of clause 4 above, shall remain in force until 25 September 1971 and may be extended for such further period as may be agreed between both Governments.

If the foregoing provisions are acceptable to the Government of Western Samoa, I suggest that the present letter and your reply in similar terms should constitute an agreement between our two Governments.

Yours sincerely,

R. B. TAYLOR

## II

*The Prime Minister of Western Samoa  
to the High Commissioner for New Zealand in Western Samoa*

OFFICE OF THE PRIME MINISTER  
APIA, WESTERN SAMOA

27 November 1970

My dear High Commissioner,

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

[See letter I]

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

Yours sincerely,

TUPUA TAMASESE LEALOFI IV