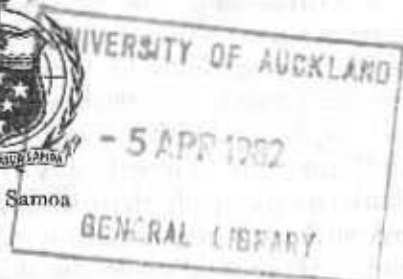




Western Samoa



Analysis

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1974 No. 1

AN ACT authorising the Government to borrow the sum of three hundred and fifty thousand tālā from the Bank of Western Samoa, the sum of one hundred and twenty-five thousand tālā from the Bank on New Zealand, and a sum not exceeding one hundred thousand pounds sterling from the Government of the United Kingdom, and to prescribe the terms of the loans as to interest and repayment of principal.

[12 July 1974]

BE IT ENACTED by the Legislative Assembly of Western Samoa in Parliament assembled as follows:—

1. Short title—This Act may be cited as the Loan Authorisation Act 1974.

2. Interpretation—In this Act, unless the context otherwise requires, —

“Bank” means the Bank of Western Samoa constituted by the Bank of Western Samoa Ordinance 1959:

“Government” means the Government of Western Samoa.

3. Authorising the borrowing a sum of WS\$350,000—
WHEREAS owing to fluctuations of rates of exchange between the currency of Western Samoa and the currencies of certain foreign countries with which Western Samoa has relations, occurring between the seventeenth day of December 1971 and the thirtieth day of June 1973, the assets of the Bank progressively depreciated by the amount of three hundred and fifty-five thousand six hundred and fifty-seven tālā eighty three sene up to the thirty-first day of December 1973 AND WHEREAS by virtue of section 5 of the Currency and Exchange Control Ordinance 1961 the amount of such depreciation became a debt due by the Government to the Bank AND WHEREAS the Bnk has offered to lend to the Government, to assist it in discharging the said debt, the sum of three hundred and fifty thousand tālā repayable on the first day of April 1974, AND WHEREAS the loan is to bear interest until repayment at the rate of seven per centum per annum on the first two hundred thousand tālā and at the rate of five per centum per annum on the balance of one hundred and fifty thousand tālā AND WHEREAS the interest is to be payable by equal half-yearly instalments on the first day of April and October in every year until repayment of the principal sum AND WHEREAS the loan is to be secured by an issue to the Bank of Western Samoa of Government stock of a face value equivalent to the amount of the loan, and supported by half-yearly contributions to the National Loans Sinking Fund sufficient to repay at least the said sum of one hundred and fifty thousand tālā on the said first day of April 1984 BE IT THEREFORE ENACTED AS FOLLOWS:

The Government is hereby authorised to borrow from the Bank the said sum of three hundred and fifty thousand tālā on the terms recited in this section.

4. Authorising the borrowing a sum of WS\$125,000—
WHEREAS the present capital of the Bank is five hundred thousand tālā divided into two thousand five hundred shares of two hundred tālā each and held by the Bank of New Zealand and the Government in equal proportions AND WHEREAS the proprietors of the Bank consider it desirable to increase the capital of the Bank and therefore propose to resolve to increase such capital to seven hundred and fifty thousand tālā by the creation of one thousand two hundred

and fifty new shares of two hundred tālā each, to rank *pari passu* in all respects with the existing shares in the capital of the Bank and to be subscribed for by the proprietors in equal proportions, namely six hundred and twenty-five new shares by the Bank of New Zealand and six hundred and twenty-five new shares by the Government AND WHEREAS the proprietors propose that the new shares shall be issued at par and shall be paid for as at the first day of October 1974 AND WHEREAS the Bank of New Zealand has offered to lend to the Government the sum necessary to enable the Government to subscribe for its new shares, being one hundred and twenty-five thousand tālā AND WHEREAS the loan is to bear interest from the date of advance until repayment AND WHEREAS the interest is to be at a rate per annum equivalent to the Bank's dividend rate (declared from time to time in respect of each year's operations) so long as that dividend rate is between four and eight per centum per annum AND WHEREAS so long as that dividend rate is below four per centum or no dividend is declared in respect of any year the interest on the loan is to be at a rate of four per centum per annum AND WHEREAS so long as that dividend rate is above eight per centum per annum the interest on the loan is to be at a rate of eight per centum per annum AND WHEREAS the loan is to be repayable with the interest over a term of ten years from the date of advance on an amortization basis, in half-yearly instalments, and with the principal portions of those instalments to be calculated as if the rate of interest on the loan were invariable at five per centum per annum AND WHEREAS the Government is nevertheless to have the right to repay the loan or any part of it at any time during the term of ten years without notice, whereupon interest would cease to be payable on the principal so repaid, and the amortization basis for any principal not repaid would be adjusted by mutual agreement between the parties AND WHEREAS the loan is to be secured by an issue to the Bank of New Zealand of Government stock of a face value equivalent to the amount of the loan BE IT THEREFORE ENACTED AS FOLLOWS:

The Government is hereby authorised to borrow from the Bank of New Zealand the sum of one hundred and twenty-five thousand tālā on the terms recited in this section.

5. Authorising the borrowing a sum not exceeding Stg. £100,000—WHEREAS it is desired to borrow from the Government of the United Kingdom a sum not exceeding one hundred thousand pounds sterling on an interest-free basis as hereinafter set out BE IT THEREFORE ENACTED AS FOLLOWS:

(1) In addition to the sum of fifty thousand pounds sterling authorised to be borrowed pursuant to paragraph (a) of section 2 of the National Development Loans Authorisation Act 1972, the Minister of Finance is hereby authorised, subject to the Financial Powers Act 1964, to borrow on the security of the public revenues of Western Samoa a sum not exceeding one hundred thousand pounds sterling from the Government of the United Kingdom, such loan moneys to be paid out by the Government of the United Kingdom in annual instalments during the period of five years following the commencement of this Act, and the loan to be repayable free of interest in the United Kingdom during the years 1981 to 1998 (both inclusive).

(2) The loan moneys authorised to be borrowed under subsection (1) of this section shall be paid into the Treasury Fund, and may be expended from that Fund as statutory expenditure.

(3) Notwithstanding anything to the contrary in the Financial Powers Act 1964, it shall not be necessary to issue or register any stock in respect of the loan.