



Treaty Series No. 110 (1969)

# Exchange of Notes

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Government of Western Samoa

concerning the Guarantee by the  
Government of the United Kingdom and  
the Maintenance of the Minimum  
Sterling Proportion by  
Western Samoa

(Sterling Area Agreement)

Wellington/Apia, 23 July 1969

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
October 1969*

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**EXCHANGE OF NOTES**  
**BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF**  
**GREAT BRITAIN AND NORTHERN IRELAND AND THE**  
**GOVERNMENT OF WESTERN SAMOA CONCERNING THE**  
**GUARANTEE BY THE GOVERNMENT OF THE UNITED**  
**KINGDOM AND THE MAINTENANCE OF THE**  
**MINIMUM STERLING PROPORTION BY WESTERN SAMOA**

No. 1

*The British High Commissioner at Wellington to the Prime Minister of  
Western Samoa*

*British High Commissioner,  
Wellington.*

*23 July, 1969.*

Your Excellency,

I refer to previous correspondence between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Western Samoa and record below the points which have been agreed between the two Governments on the guarantee by the Government of the United Kingdom and the maintenance of the minimum sterling proportion by Western Samoa.

(1) *Definitions*

Unless otherwise agreed:

(a) "Total Official External Reserves" shall mean:

- (i) Gold;
- (ii) Cash, bank balances, money at call, time deposits, certificates of deposit, bank acceptances, bills of exchange, and promissory notes, denominated in freely transferable currencies other than the currency of Western Samoa;
- (iii) Treasury bills and other obligations issued or guaranteed by Governments or their agencies, states, provinces, municipalities and international organisations, denominated in freely transferable currencies other than the currency of Western Samoa, but excluding all obligations of the Government of Western Samoa or its territorial sub-divisions or agencies;
- (iv) Common or ordinary stock and shares, preferred stock and shares, redeemable and irredeemable interest-bearing securities issued by companies or corporations which are quoted on a recognised security market, and units in unit trusts and shares in mutual funds wherever such companies, corporations, trusts or funds may be domiciled other than in Western Samoa,

which are held in the name or to the order of the Bank of Western Samoa, the Government of Western Samoa, its agencies and other official institutions.

(b) "Official Sterling Reserves" shall mean:

- (i) Cash, bank balances, money at call, time deposits, certificates of deposit, bank acceptances, bills of exchange, promissory notes;
- (ii) Treasury bills and other obligations issued by Governments or their agencies, states, provinces and municipalities and international organisations, but excluding all obligations of the Government of Western Samoa or its territorial sub-divisions or agencies;
- (iii) The following securities issued by companies having their registered office and head office in the United Kingdom and quoted on a stock exchange in the United Kingdom, and units in United Kingdom unit trusts:
  - (A) Common or ordinary stock and shares and preferred stock and shares on which capital moneys and dividends are payable solely in sterling;
  - (B) Units in unit trusts on which, under the terms of issue, capital moneys are payable solely in sterling on liquidation or realisation;
  - (C) Redeemable interest-bearing securities on which capital moneys are payable solely in sterling;
  - (D) Irredeemable interest-bearing securities on which interest is payable solely in sterling;

which are denominated in sterling and which are held in the name or to the order of the Bank of Western Samoa, the Government of Western Samoa, its agencies and other official institutions with banks or other depositaries in the United Kingdom and which are included in total official external reserves.

(2) *The guarantee*

The Government of the United Kingdom undertake to maintain the sterling value in terms of the United States dollar of the balances eligible for guarantee, provided that the minimum sterling proportion referred to below has been maintained by Western Samoa up to and including the date of implementation of the guarantee. The circumstances in which the guarantee would be implemented and the terms of the implementation shall be defined in consultation between the two Governments.

(3) *Balances eligible for guarantee*

The balances eligible for guarantee shall be that proportion of official sterling reserves by which those official sterling reserves exceed 10% of total official external reserves as defined in paragraph (1) (a) above, except that no part of official sterling reserves falling under or bearing a right to conversion into a security covered by (A) or (B) or paragraph 1 (b) (iii) above shall be eligible for guarantee.

(4) *The minimum sterling proportion*

Western Samoa shall throughout the period covered by the Agreement maintain official sterling reserves in such proportion to total official external reserves as may be fixed by consultation between the two Governments. This proportion shall be known as the minimum sterling proportion.

(5) *Review*

- (a) The provisions of the Agreement may be reviewed at any time by agreement between both parties;
- (b) The provisions of the Agreement shall be reviewed within six months prior to the 25th September 1971.

(6) *Entry into force and duration*

The Agreement shall enter into force on the date of Your Excellency's reply to this Note in the terms mentioned below and shall remain in force until 25th September 1971, and may be extended for a further two years by agreement between both parties.

2. If the Government of Western Samoa agree that the foregoing correctly sets out the points agreed between the two Governments, I have the honour to propose that this Note and your reply to that effect shall constitute an Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Western Samoa.

Yours sincerely,

IAN MACLENNAN

No. 2

*The Prime Minister of Western Samoa to the British High Commissioner  
at Wellington*

*Apia, Western Samoa.  
23 July, 1969.*

Your Excellency,

I refer to your letter of today's date recording the points which have been agreed between our two Governments on the guarantee by the Government of the United Kingdom and the maintenance of the minimum sterling proportion by Western Samoa, which reads as follows:

[As in No. 1]

2. I confirm that your letter correctly sets out the points agreed between our two Governments and that your letter and this reply shall accordingly constitute an Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Western Samoa.

Yours sincerely,

FIAMĒ M. F. M.

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