STANDING COMMITTEE REPORT NO. 15-86

RE: C.R. NO. 15-86/EXTERNAL AFFAIRS

SUBJECT: RATIFYING THE AGREEMENT BETWEEN THE FEDERATED STATES OF MICRONESIA AND THE PEOPLE'S REPUBLIC OF CHINA FOR THE GRATUITOUS GRANT OF 4,000,000.00(RMB).

FEBRUARY 19, 2008

The Honorable Isaac V. Figir
Speaker, Fifteenth Congress
Federated States of Micronesia
Third Regular Session, 2008

Dear Mr. Speaker:

Your Committee on External Affairs, to which was referred C.R. No. 15-86, entitled:

> "A RESOLUTION RATIFYING THE AGREEMENT BETWEEN THE FEDERATED STATES OF MICRONESIA AND THE PEOPLE'S REPUBLIC OF CHINA FOR THE GRATUITOUS GRANT OF $4,000,000.00 (RMB) THAT WILL BE DISBURSED OVER THREE YEARS TO THE FEDERATED STATES OF MICRONESIA EMBASSY IN BEIJING, CHINA TO ASSIST IN LEASING A HOUSE AND FOR OTHER RELATED PURPOSES.",

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title.

This is a grant of RMB 4,000,000 (approximately USD 500,000) over three years in order to "assist in leasing a house" in Beijing as part of setting up the FSM embassy in China.

Your committee had a meeting with the Secretary of Foreign affairs Lorin Robert on February 18, 2008 to clarify the purpose of the grant. Secretary Robert stated that the grant was made pursuant to a general request by the FSM to China to assist with the establishment of an embassy in Beijing.

The Secretary stated that it may be a little unusual for a host country to pay for another country's diplomatic mission but not unheard of. Vanuatu was the recipient of such assistance from China. Some Asian country has paid for an aid recipient's diplomatic missions not only in that Asian country but also at the UN.

The Secretary clarified that there were no commitments made to China on the timetable for the Beijing embassy, in particular when a resident ambassador would be named.

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The Secretary testified, however, that it was the Department of Foreign Affair's understanding that the grant would be used for capital improvement, not for operations. In that respect, the stated purpose of "leasing a house" becomes inappropriate.

Your committee recommends the following amendments:

1. In the title, delete "leasing a house" and insert "constructing the embassy compound" in lieu thereof;

2. On page 1, lines 7, 13, and 18, delete "leasing a house" and insert "constructing the embassy compound" in lieu thereof;

3. Also as a technical amendment on page 1, lines 6, 13, and 17 delete "$" to avoid any confusion as to the type of currency.

Your Committee on External Affairs is in accord with the intent and purpose of C.R. No. 15-86, C.D.1 and recommends its adoption.

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Respectfully submitted,

/s/ Paliknoa K. Welly
Paliknoa K. Welly, Chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, Vice Chairman

/s/ Isaac V. Figir
Isaac V. Figir, member

/s/ Resio S. Moses
Resio S. Moses, member

/s/ Roosevelt D. Kansou
Roosevelt D. Kansou, member

/s/ Dion G. Neth
Dion G. Neth, member

/s/ Setiro Paul
Setiro Paul, member