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A RESOLUTION

Respectfully requesting the Speaker of the Congress of the Federated States of Micronesia to appoint a special committee to investigate the activities within the Federated States of Micronesia of foreign corporations and corporations incorporated under Trust Territory law to ensure compliance with Federated States of Micronesia law.

1 WHEREAS, certain corporations incorporated under Trust Terri-
2 tory law, (hereinafter referred to as TT corporations), do business
3 within the Federated States of Micronesia; and

4 WHEREAS, some of these TT corporations have their principal
5 offices in other jurisdictions within the Federated States of
6 Micronesia; and

7 WHEREAS, some of the TT corporations do not appear to be in
8 compliance with Federated States of Micronesia law; and

9 WHEREAS, some of these TT corporations and some foreign corpora-
10 tions appear to be paying less than their fair share of taxes in
11 the Federated States of Micronesia; and

12 WHEREAS, it may be appropriate to change the Federated States
13 of Micronesia law to ensure that TT corporations as well as foreign
14 corporations pay their fair share of taxes; and

15 WHEREAS, some Federated States of Micronesia citizens
16 hold stock in the TT corporations and foreign corporations; and

17 WHEREAS, some of these corporations have not paid their share-
18 holders dividends for several years; and

19 WHEREAS, legislation may be appropriate to protect Federated
20 States of Micronesia citizens who invest in TT corporations
21 and foreign corporations; and

22 WHEREAS, Congress has the power to regulate foreign and
23 interstate commerce under article IX, section 2, of the Constitution
24 of the Federated States of Micronesia; now, therefore,

25 BE IT RESOLVED by the Second Congress of the Federated States

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C.R. No. 2-128

1 of Micronesia, Fourth Regular Session, 1982, that the Speaker of
2 the Congress of the Federated States of Micronesia is respectfully
3 requested to form a special committee to investigate foreign
4 and TT corporations operating within the Federated States of
5 Micronesia to determine whether new legislation is required to
6 ensure the following:

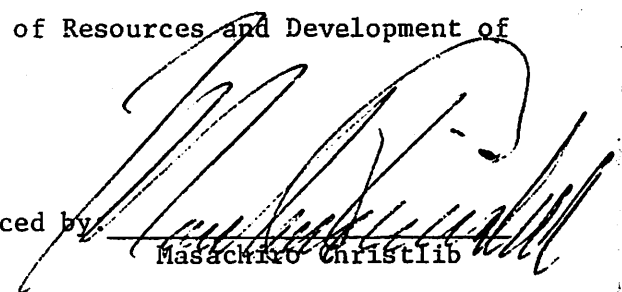
7 (1) That TT corporations and foreign corporations pay
8 their fair share of taxes in the Federated States of Micronesia;

9 (2) That TT corporations and foreign corporations not
10 engage in practices which deny Federated States of Micronesia
11 citizens a fair return on investments in these corporations; and

12 (3) That TT corporations and foreign corporations not
13 unfairly circumvent Federated States of Micronesia law by means
14 which could be controlled by legislation; and

15 BE IT FURTHER RESOLVED that certified copies of this resolution be Trans-
16 mitted to the President of the Federated States of Micronesia,
17 the Speaker of the Congress of the Federated States of Micronesia,
18 and the Secretary of the Department of Resources and Development of
19 the Federated States of Micronesia.

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21 Date: 11/6/82

Introduced by 
Masachiro Christlib

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