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4-43

A RESOLUTION

Expressing the sense of the Congress of the Federated States of Micronesia that the FSM Bank should not accept land as collateral for loans.

1 WHEREAS, land is a precious and finite resource in the Federated
2 States of Micronesia; and

3 WHEREAS, land is traditionally held by members of one family for
4 many generations with the land held in sacred trust by one generation for
5 the next; and

6 WHEREAS, throughout the Pacific foreigners have used many types of
7 deceit and trickery to deprive people of their land; and

8 WHEREAS, the traditional value and use of land and the need to protect
9 our citizens from unscrupulous foreigners is recognized in the Constitution
10 of the Federated States of Micronesia with the prohibition against a non-
11 citizen acquiring title to land; and

12 WHEREAS, the transition to a cash economy and the accompanying imposition
13 of new values threatens our traditional ways by encouraging citizens to borrow
14 money by using their land as collateral; and

15 WHEREAS, the securing of loans with land encourages citizens to risk their
16 ancestral lands for the transitory pleasures acquired with money; and

17 WHEREAS, the FSM Bank, a company partially owned by non-citizens, proposes
18 loaning money when citizens use their land as collateral; and

19 WHEREAS, the proposed actions of the FSM Bank are contrary to the
20 traditional values of our society and are contrary to the spirit of the
21 constitutional prohibition against non-citizens owning land; now, therefore,

22 BE IT RESOLVED by the Fourth Congress of the Federated States of
23 Micronesia, Second Regular Session, 1985, that it is the sense of the
24 Congress of the Federated States of Micronesia that the use of land as collateral
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1 for loans is detrimental to the retention of our heritage; and

2 BE IT FURTHER RESOLVED that the FSM Bank is hereby requested to
3 explain to Congress the loan policies of the Bank and the legality of
4 those policies; and

5 BE IT FURTHER RESOLVED that a certified copy of this resolution
6 be transmitted to Mr. Fred Ramp, legal counsel to the FSM Bank.

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8 Date: Oct. 23, 1975

Introduced by: Claude H. Phillip
Claude H. Phillip

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Joseph E. ...
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