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A BILL FOR AN ACT

To authorize the Secretary of the Department of Finance to borrow on the credit of the Federated States of Micronesia National Government for the purpose of funding economic development projects, to authorize the appropriation of funds for redemption of certificates on or before the date of maturity, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1           Section 1. The Secretary of the Department of Finance, with the  
2 approval of the President of the Federated States of Micronesia, is hereby  
3 authorized to borrow, from time to time, on the credit of the National  
4 Government of the Federated States of Micronesia, for the purpose of  
5 funding economic development projects within the Federated States of  
6 Micronesia, such sum or sums as in his sound judgment may be necessary,  
7 and to issue therefor, at such price or prices and upon such terms and  
8 conditions as he may determine, savings certificates of the Federated  
9 States of Micronesia on which interest at maturity may be discounted at  
10 such rate or rates and computed in such manner as he may prescribe. The  
11 Secretary of the Department of Finance shall take every and all steps  
12 necessary to make the certificates issued pursuant to this section of this  
13 act marketable.

14           Section 2. All economic development projects to be funded pursuant  
15 to section 1 of this act shall be reviewed and approved by the Congress  
16 of the Federated States of Micronesia as a condition precedent to the  
17 exercise of the authority conferred upon the Secretary of the Department  
18 of Finance by section 1 of this act. The Secretary of the Department of  
19 Finance shall make an annual report to the Congress of the Federated  
20 States of Micronesia on the status and progress of all projects funded  
21 pursuant to section 1 of this act.

22           Section 3. The savings certificates issued pursuant to section 1  
23 of this act shall be in such form or forms and denomination or denomi-  
24 nations and subject to such terms and conditions of issue, conversion, redemp-  
25 tion, maturity, and payment, and rate or rates of interest, and time or times

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1 of payment of interest as the Secretary of the Department of Finance,  
2 from time to time at or before the issuance thereof, may prescribe.  
3 Such savings certificates so issued may be redeemable before maturity,  
4 upon such terms and conditions as the Secretary of Finance may prescribe.

5 Section 4. There is hereby authorized the appropriation of such  
6 sum as may be necessary, out of the General Fund of the Federated States  
7 of Micronesia, to establish a sinking fund to redeem certificates issued  
8 pursuant to section 1 of this act at or prior to the date of maturity.

9 No economic development project shall be deemed authorized unless a  
10 sinking fund therefor is appropriated.

11 Section 5. This act shall become law upon approval by the President  
12 of the Federated States of Micronesia or upon its becoming law without  
13 such approval.

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Date: FEBRUARY 6, 1984

Introduced by: *Elias H. Thomas*  
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