

OSN ✓
EA/RA
USUN
10/UNP

Micronitor

Red Chinese assistance available for Micronesia?

MAJURO - Chairman of the Senate committee on Resources & Development Amata Kabua has reported that United Nations Undersecretary-General Tang Ming-chao, representative from China, made an informal presentation of what loan requirements would be necessary for the people of Micronesia if they were to make a loan with the People's Republic of China.

According to Kabua, Ming-chao made three stipulations: (1) In borrowing, it must be stated how long it will take to make repayment; (2) payments must be made, but there will be no interest on the loans; and (3) If for some reason payments cannot be met but the people of Micronesia are willing to pay, the People's Republic of China will cancel the debt.

The subject was discussed during a luncheon on Saipan during the visit of Ming-chao to the Trust Territory last month.

Tang Ming-chao explained that the last requirement of any loan agreement with the Chinese people is made because it is understood that loans

are given with the end result of obtaining friendship and why should such a goal be marred at the end when someone honestly cannot pay?

According to Chinese thinking it would defeat the original purpose of the bill not to cancel the debt under such conditions, said Kabua.

*(No other mention
this subject noted. MWT)*