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Mark E. Fried

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Inter-American Legal Developments

MARK FRIED*

NOTE: All legislative and regulatory enactments in this report pertain to 1978 unless otherwise indicated.

ARGENTINA

Law 21.778 sets forth the powers, procedures, and rights of state companies with respect to risk on contracts for the exploration and exploitation of hydrocarbons. State companies can execute contracts concerning this subject matter. A contracting company must assume all the risks inherent in hydrocarbon exploration and exploitation although ownership rights and mining rights are not acquired by the company.

Law 21.801 creates the General Syndicate of Public Enterprises which is placed within the jurisdiction of the Ministry of Economy. The Syndicate is the successor of the National Enterprise Corporation and regulates the external control of the enterprises, which were transferred to the Ministry of the Economy by Law 21.800. Importation of materials to be incorporated in finished products for export is automatically authorized under Decree 2191. The temporary entrance of these materials is connected with the obligation of exporting the merchandise in its new form within the period of 360 days. This measure is expected to produce a significant increase in economic activity.

A management plan for the payment and financing of imports of capital goods was established. Circular R.C. 733.

The Secretary of Maritime Interests made agreements with Japan to procure technical cooperation for construction of deep water ports.

Argentina and Paraguay entered into a convention to create a bi-national entity for a hydroelectric project. Argentina entered into an accord with the U.S.S.R., whereby the Soviet Union will give Argentina technical assistance for the hydroelectric project on the Paraná River.

* J.D. Candidate, University of Miami School of Law. Mr. Fried is an Articles and Comments Editor with the Lawyer of the Americas.

Argentina declared in a convention with Spain its concern over world terrorism. The two states also declared that the use of atomic energy would be for peaceful purposes; to cooperate and report certain benefits in nuclear research.

The development of nuclear energy for peaceful purposes was the subject of an accord between Argentina and Peru.

BOLIVIA

Supreme Decree (DS) 15479 appointed the National Investment Institute as the national body for the application of Decision 24 of the Cartagena Agreement Commission, which approved the common treatment for foreign capital and trademarks, patents, licenses, and royalties for the countries of the Andean group. The Central Bank of Bolivia is to continue issuing certificates of origin and will undertake all other duties related to the common treatment of foreign capital until the new technical organization is ready.

BRAZIL

Decree 81.785 of June 12, 1978, was promulgated to revoke Decree No. 57.394/65, and subjects the sale of tickets for travel abroad to the prior presentation of the international smallpox vaccination or revaccination certificate.

The Central Bank of Brazil issued Resolution No. 479/78 to establish that foreign loans entering the country, as of June 21, 1978, would have their cruzeiro equivalent temporarily deposited in foreign currency (according to Resolution No. 432/77). The expenses of the operation, which are due abroad during the period of the deposit, and the brokerage expenses incurred with regard to the closed exchange contract to permit the foreign loan to enter the country, may be deducted from the amount to be deposited. According to Central Bank Circular Letter No. 379/78, these deposits will be released after thirty days. Furthermore, DECAM Communiqué No. 45/78 established that the payment of the exchange contracts resulting from the foreign loans mentioned in Resolution No. 479/78, shall be effected on the date of their closing.

The Central Bank of Brazil issued Resolution No. 480/78 to establish that companies in which the majority of the voting capital is held, directly or indirectly, by parties resident or domiciled abroad, may fully or partially convert foreign loans or financing registered with the Central Bank prior to December 31, 1977, into preferred

stock for the purposes of Article 59 of Decree-Law No. 1.598/77. Central Bank Circular Letter No. 380/78 provides that the interested parties shall present their conversion applications prior to December 31, 1978. According to its Communiqué No. 29/78, such conversions will require the prior authorization of the Department of Control and Registration of Foreign Capital (FIRCE) of the Central Bank of Brazil.

The Coordinator of the Taxation System issued Normative Opinion No. 55/78 to maintain IPI tax exemption for importation, in the case of entry of products manufactured with foreign raw materials or components in the free zone of Manaus. This exemption is applicable even if the products do not comply with the minimum national content indices established by the competent authorities (DOU-I, 1 of June 16, 1978).

In view of the provisions of paragraph 3 of article 89 of Law 4.215/63, books and documents in law firms may not be searched and seized without court authorization.

The Commission of Coordination of the Centers for Joint Action with the Industry issued Resolution 1/78, approving its Internal Regulations and establishing its main purposes as: (a) Providing for the technical and financial qualification of national engineering companies for the preparation of basic projects and specifications of capital goods; and (b) providing for the development, manufacture, and acquisition of capital goods. The Commission shall also cooperate to form and promote Brazilian participation in negotiating and obtaining technology and shall render assistance to the Centers that are organized as companies under the direct or indirect control of the states and municipalities.

Decree-Law (DL) 1.630 of July 17, 1978 was signed by the President of the Republic to grant tax benefits to the Brazilian Nuclear Program. These tax benefits consist of exemptions from the import duty and tax on: (a) Manufactured products for the equipment, machinery, apparatus, instruments and other materials that are not produced in Brazil, including their parts and accessories; and (b) the nuclear fuel required for all production phases, which are imported by Empresas Nucleares Brasileiras S.A. (NUCLEBRAS) and its subsidiaries, or by concessionaires of public electricity services that build and operate Brazilian nuclear electric plants.

Brazilian trading companies engaged in the exportation of Brazilian products are required to have a minimum capital of twenty million cruzeiros, fifty percent of which must be paid; one half of this

amount may be represented by non-voting preferred shares. The Central Bank issued Resolution 486/78, which increases the limit of the preferred shares to two-thirds of the capital.

The import duty in effect when the imported goods enter the country is applicable rather than that rate which is in effect when the import license is issued (Extraordinary Appeal No. 72.695, 1st Group of the Federal Supreme Court).

DL 1.633 of August 9, 1978 grants an IPI tax credit on the manufactured products acquired in the domestic market for exportation under service agreement to Brazilian companies' export services. According to the Decree, the Minister of Finance is also authorized to exempt from income tax, remittances of brokerage commissions to agents abroad by Brazilian insurance companies or by the Brazilian Reinsurance Institute, in connection with the direct acceptance of the foreign insurance and reinsurance business.

The Central Bank requirement that the foreign currency amount of foreign loans entering Brazil must be deposited was first established at a period of 30 days and then increased to 120 days. The Central Bank has now issued Circular No. 389/78 to further extend this period to 150 days for all foreign loans made after July 17, 1978, and for those to be made as from August 14, 1978. This means that the foreign loans granted at the end of August 1978 will only be released in January 1979.

According to Normative Ruling No. 74/78 of the Coordinator of the Taxation System, as of December 1, 1978, it will no longer be compulsory to retain the services of a customs forwarder for operations of foreign trade. In addition, the fees of such customs forwarders will no longer be established by law, but will be freely negotiated with the client.

Law 6.562 established that the services of customs forwarders are not essential in import and export operations and that customs clearance can be obtained by the importer itself. The same law lists the acts and omissions that constitute administrative infractions of import control and establishes the applicable penalties.

Decree 82.307 of September 21, 1978 establishes that Brazil will only grant entry visas to foreigners if their country affords Brazilians the same treatment. Accordingly, foreigners without a visa may only enter Brazil if their country also exempts Brazilians from the visa requirement.

Law 6.570 of September 30, 1978 extends the period of validity of identity cards for foreigners until October 1, 1979.

Law 6.572 of September 30, 1978 amends the legal provision that regulates the acquisition of rural land by foreigners. According to such provision, the restrictions on acquisition by foreigners did not apply in cases of transmission "causa mortis." Under the amended provision, the restrictions will not apply in cases of direct succession (thus excluding testate succession), if the property is not situated in a national security area, in which event the acquisition will be subject to the prior consent of the Secretary General of the National Security Council.

Decree 82.325 of September 27, 1978 amends some of the provisions that regulate private pension funds. According to these changes, the operation of a private pension fund begins with the collection of contributions from employees and from their employer but must be preceded by employer donations to the new fund of at least seven percent of the employee's salary in the previous year. Such donation is to be made in cash or in readjustable National Treasury Bonds, and in the manner established by the Supplementary Social Security Council.

According to Normative Ruling No. 83/78 of the Coordinator of the Taxation System, the compulsory deposit of 100% of the FOB value of imported goods is also applicable when the value of the imported goods exceeds the value indicated in the respective import license. Any penalties or limits of exemption from penalties are irrelevant with regard to the compulsory deposit. The deposit will also be required in the case of baggage for which no exemption has been obtained or which exceeds the limits of exemptions established by specific law.

The Subsecretary of Labor Safety and Medicine issued Portaria 1/78, to amend the regulation of Chapter V, Title II of the Consolidated Labor Laws regarding labor safety and medicine. According to this Portaria, labor inspectors will be able to freely enter any work establishment in order to verify whether the labor safety and medicine requirements are being satisfied. These inspectors will have the authority to determine the precautions that must be taken and to issue infraction notices in cases of non-compliance.

The Minister of Finance issued Portaria 538/78 to authorize machinery, equipment, vehicles, apparatus, and instruments not produced in Brazil, as well as their parts, components, and accessories, to enter the country with tax suspension when imported by Brazilian

engineering companies to carry out construction work abroad. Through Normative Ruling 48/78, the Secretary of Federal Revenue established the depreciation scale for the purpose of payment of import duties on machinery that returns to the country after being used for construction work abroad.

Decree 1.004/69 had established the text of the new Penal Code which was then amended and its effectiveness postponed by subsequent legislation. Law 6.578 has now definitely revoked the new Penal Code, thus maintaining the Code that dates back to 1940.

CANADA

Among others, the following were enacted: Registration of Treaty of Peace Act (Japan); Criminal Code Amendments Act, providing a procedure for obtaining the trial of an accused in the official language of Canada which the accused speaks; Canadian Manpower and Immigration Council Act; Canada Shipping Act; Canadian Human Rights Act; Currency and Exchange Act; Export Development Act; Aeronautics Act; Government Harbors and Piers Act; Citizenship Act, with respect to foreign ownership of land; and Government Organization (Scientific Activities) Act.

Some of the regulations passed were: Immigration Act Regulations concerning immigration exemption and immigration visa exemption regulations; Coastal Fisheries Protection Act; and Canada Petroleum Administration Act, with respect to tariff charges for exported oil.

British Columbia

The following have been enacted: Cattle Industry Development Act; Wildlife Act; and Coal Act.

Manitoba

Farm Lands Protection Act was proclaimed.

New Brunswick

Public Service Labour Relations Act was promulgated.

Nova Scotia

The following have been enacted: Civil Service Collective Bargaining Act; Trade Union Amendment Act; and Gasoline and Fuel Oil Licensing Act.

Ontario

The following have been enacted: Corporations Amendment Act; Ministry of Natural Resources Act; and Marriage Act.

Saskatchewan

The following were proclaimed: Fuel Petroleum Products Amendment Act; Game Act; and Animal Products Act.

CARIBBEAN STATES

Barbados

Statutory Instrument (SI) 177 passed the Civil Establishment (General) Order, 1978, under the Civil Establishment Act. This instrument establishes certain offices, qualifications for persons working in the offices, the terms of the offices, and appropriate schedules. This instrument revokes the Civil Establishment (General) Order of 1976 issued in SI 143. SI 178 passed the Civil Establishment (Part-Time Officers) Order, 1978. Amendments were made to the National Assistance Act Regulations, in SI 155.

The Rum Duty Act has been amended to change "gallon" to "litre" where it is appropriate.

Under the Fiscal Incentives Act, 1978, SI 144 declared devices for utilizing solar energy to be proper products for the purposes of the act.

Many amendments to the control of price regulations have been made in 1978. The Official Gazette should be consulted for any commodity of special interest.

St. Vincent

The Banana Industry Act was promulgated under Act 10 for the establishment, operation, and functions of the St. Vincent Banana Growers Association. It provides for the registration of banana growers and for the regulation of cultivation, production, and marketing of bananas.

Act 12 amended the Airport Service Charge Act.

Act 13 repealed Section 37 of the Land Settlement and Development Act.

The Incorporation of the Organization for Rural Development Act was promulgated by Act 14.

CHILE

Decree-Law (DL) 2186 approved an organic law of procedure for expropriation. It abolishes all previous laws covering this matter.

DL 2200 promulgated a new Code of Labor, which set forth regulations relating to work contracts and the protection, dismissal, day work, breaks, and salaries of laborers.

Decree 600 of the Law of Monetary Exchange modifies the laws of capital transfers out of the country. The Central Bank dictates certain regulations covering the subject matter of articles 14, 15, and 16 of the Law of Monetary Exchange, particularly regulating remittances of capital and interest. It authorizes banks to sell foreign currency without soliciting exchange drafts to cover interest and commissions of foreign credits.

DL 2978 established regulations on benefits given to injured and incapacitated laborers in the private business sector.

Supreme Decree 64 creates the Council of Labor. It will consist of the Minister of Labor, fifteen representatives from labor, and fifteen representatives from management.

With respect to public proposals for contracts, DL 2223 establishes the obligation for state enterprises to publish promulgated proposals and acquisitions in the Official Diary on the first day of each month.

The Law of Navigation text was amended and modernized by DL 2222.

DL 2247 establishes procedures over the future use of dry lands, reforms the grounds for expropriation, and abolishes the prohibition on establishing agricultural corporations.

DL 2191 gives amnesty for all felonies committed from September 11, 1973, until March 10, 1978, when martial law was in force.

DL 2173 approved the Constitutive Convention of the International Foundation of Agricultural Development adopted by the United Nations and subscribed to by Chile.

DL 2176 approved the convention for the avoidance of double taxation between Chile and Argentina.

Supreme Decree 481 of the Ministry of Finance determined that the allowable maximum increase in salaries should be fixed at ten percent.

DL 2239 established a subsidy for laborers of the private sector which is to be the equivalent of thirty percent of the minimum salary received for each worker that was under contract on March 31, 1978. In the case of new companies, the workers take, as a base, the date six months after the beginning of the work.

COLOMBIA

Decree 175 established a new system of Retail Importation Tariffs.

Decree 1909 (1977), pursuant to Decree 1901, sets forth the declaration and payment of an industry and business tax in Bogota.

Pursuant to the Minister of Public Health's development of a new national program to protect the environment, Decree 39 has been promulgated, which modifies Section XVI of Customs Duties and establishes a one percent ad valorem tax on the importation of completed equipment destined to control air pollution.

Resolution 4 modifies the conditions of lending for the Agro-industrial sector. Resolution 5 sets forth the maximum amount of credit to be given persons without prior approval.

Resolution 19 sets the buying price of gold on the part of the Bank of the Republic.

Resolution 23 of the Monetary Committee sets the maximum rate of interest that banking establishments can charge.

Through Decree 923, the Minister of Economic Development, the Colombian government established additional requirements for imports originating with the Andean group.

Decree 787 established a Duty-Free Transitory Customs Zone in Bogota. This zone was established to celebrate the Commercial, Cultural, and Scientific Fair. This decree sets the regulations of the free zone.

The Concepts of the Direction of National Taxes have been set forth in concepts 006-031, which were declared this year by the Legal Subdirector of the General Director of National Taxes.

Postal Circular S.I. 31 published a modified procedure to appraise the duty on customs tariff.

Decree 1551, in conformity with articles 1 and 2 of Decision 40 of the Commission of the Cartagena Accord, approved the convention for the avoidance of double tax contribution between Andean Pact member states and other states foreign to the subregion.

Decree 309 has incorporated into law the internal judicial law of Decision 116 of the Commission of the Cartagena Accord.

ECUADOR

Supreme Decree (DS) 2261, published in Official Register 534, expedites the plan to restructure the state judiciary. Its object is to guarantee the exercise of voting rights and to secure liberty.

A new Ecuadorian Constitution, approved in a referendum by a majority of the population, was declared to be the ruling constitution by DS 2400.

DS 2425 decreed that either public entities and private entities provide transportation to their employees or that employees be given an equivalent of four U.S. dollars.

A codification of the Civil Service and Career Administration Law is in official report 547. It sets forth the inherent need of the state to grant equal opportunity of entrance and promotion in the public service to all Ecuadorians.

Pursuant to DS 2424-A, the Regulation of the Law of Political Parties establishes that political parties should be clearly individual. Each citizen has the right to voluntarily affiliate or disaffiliate with a party.

The Organic Law of Customs, pursuant to DS 2401-A, is to generally apply to all acts of entrance or exit of merchandise through the border and customs zones, and particularly to the importation, exportation, and transit of such merchandise.

The Penal Code and the Penal Procedure Code were reformed by DS 2636.

DS 2662 establishes an Aeronautics Code which favors the development of civil aviation on a large scale.

DS 2403 modifies the Remunerations Law and establishes a subsidy in favor of workers in the public sector and private organizations whose work benefits the public. It will consist of a basic salary for the first four years of work and an increment for each additional year.

Reforms to the Law of Hydrocarbons are set forth in DS 2463. By means of this reform, Ecuador hopes to stimulate the development of its industry's activities through the future exploration and exploitation of its mineral deposits.

Ecuador has deposited its ratification of the San Salvador convention, which is established for the protection of the archeological, historical, and artistic heritage of American nations.

Ecuador signed an agreement on the Organization of American States' Port and Harbor Conference.

GUATEMALA

Decree 12-78 ratified the Basic Convention of Technological Cooperation between Guatemala and Italy. The text of the convention is printed in *Diario de Centro America (DCA)* of November 22, 1978.

The Convention of Cultural Exchange between Guatemala and Peru was ratified by Decree 16-78.

Decree 19-78 approved the protocol of reform of the Inter-American Reciprocal Assistance Treaty, subscribed in San Jose, Costa Rica on July 26, 1975.

Decree 44-78 approves the Convention for the Repression of Illegal Acts against the security of civil aviation, subscribed on May 9, 1972.

Decree 47-78 approves the Convention of the Protection of World, Cultural, and Natural Patrimony adopted by the United Nations Conference for Education, Science, and Culture. The text is printed in the DCA of November 10, 1978.

Decree 52-78 declares the expropriation, in the name of the public interest, of certain farms in the country.

Guatemala and Brazil entered into a convention for Technical and Scientific Cooperation, which was ratified by Decree 54-78 and is printed in the DCA of November 11, 1978.

Decree 59-78 approves article 10 of Chapter 3 of the Third Protocol of the Central American Convention of Fiscal Incentives to Industrial Development, as agreed to under the General Treaty of Central American Economic Integration. The text is printed in the DCA of November 6, 1978.

The marimba is declared to be the national instrument by Decree 66-78.

The Ministry of Public Finance is authorized to negotiate with the United States, the intermediary of the Agency for International Development, over the borrowing of funds for horticultural purposes.

The Ministry of the Economy issued Accord 8-78, the regulations to Decree 51-78, dealing with the importation of tariff-free goods.

Through Decree 57-78, the Congress created the Secretary of Minerals, Hydrocarbons, and Nuclear Energy, who will function within the executive branch and will tend to matters concerning exploration, exploitation, transformation, and commercialization of the resources.

A resolution by the Ministry of Agriculture, in accordance with Decree 20-76, which extended the exclusive economic zone to 200 nautical miles, determined that the number of boats authorized to fish for shrimp in the territorial sea and the exclusive economic zone of the Pacific and Atlantic Oceans would be thirty-six.

MEXICO

President Lopez Portillo issued a series of decrees, contained in the *Diario Oficial* (DO) of November 10, 1978, which granted several citizens permission to give services to the U.S. embassy and U.S. consulates.

A decree in the DO of November 10, 1978, makes additions to the Law of Compensation of the Armies.

The Secretary of Housing and Public Credit sets forth the causes which led to the taxes over the production of minerals.

Announcements concerning standards for industrial products are printed in the DO of November 13, 1978. These new standards amend both the law set forth originally in articles 1, 2, 4, and 29 of the General Law of Standards, Weights and Measures, and the Accords published in the DO of April 15, 1971 and May 7, 1971.

The Secretary of Tourism declared a new national tourist zone which is to be developed in San Juan del Rio, in the State of Queretaro.

The Secretary of Foreign Relations, in a decree published in the DO of December 4, 1978, announced that Mexico, in completing its obligation by ratifying the Convention of Organization of Rural Workers and its function in economic and social development, has observed the convention certified by the Secretary of the Archives. The text is produced on pages 3 through 5 of the DO.

Circular 305 IV 1.11-38, issued by the Secretary of Finance and Public Credit, lists the exchange value of world currencies to the Mexican peso. These rates are to be used as set forth in article 23 of the Fiscal Code.

PERU

Decree-Law (DL) 22231 approved the "American Convention on Human Rights" subscribed to by the Government of Peru in San Jose, Costa Rica, on July 27, 1977.

DL 22195 sets forth guidelines for conventions and agreements, conditions of work, and increases in salary, which are the result of collective bargaining.

DL 22202 declares the development of a marine industry for the construction and repair of goods for the industry. The effects of this industry are to help create and expand shipping industries and related ship building activities.

DL 22221 sets forth customs duties to be paid on traditional exported products (as set by DL 21957 in the national currency).

A ministerial reorganization under DL 22225 has resulted in the restructuring of old departments and creation of new departments in the Ministry of Fishing, to better plan, direct, coordinate, promote, control, and evaluate the national fisheries.

DL 22244 promulgated a new law of the press in conformity with article 63 of the Constitution. It guarantees the freedom of the press and the right to freely state ideas and opinions under its responsibility established by the law. Chapter One states the basic principles of the law, which are the state's recognition, respect, and guarantee of these rights to journalists. The other Chapters set forth the type of press organs allowed under the law, and the regulations regarding each one.

Additions and amendments to DL 22202 are made in DL 22283; among them are additional tax benefits to the maritime and shipping industry.

DL 22287 sets forth procedures for promoting and regulating the development of the exportation of products. Supreme Decree 028-78-ICTI/CO-CE establishes regulations as to exports falling under the guise of DL 22287. Some of the areas regulated are prices, quality, transit, and special operations.

In consideration of the oppressive nature of the foreign travel tax imposed at the end of a resident's trip out of the country, DL 22317 promulgated new laws restructuring the tax system to provide for one tax exacted upon leaving the country. It also provides for modification of taxes on flight tickets and new rates for passports.

Regulation over the tax imposed on resident nationals who travel abroad is provided for by Ministerial Resolution 1003-78-EF/11.

Supreme Decree (DS) 127-78-EF approves the new organizational structure and the basic functions of the integrated organs of the economic and finance sector of the ministry.

DS 0144-78-EF exonerates the temporary ten percent ad valorem tax on books, pamphlets, dailies, and other journalistic publications created under DL 22173.

In Ministerial Resolution 191-78-TC/DS, the Ministry of Transportation and Communication promulgated a regulation setting the tariffs and establishing the procedures of port services and facilities which concern the Terminals of the Nation/Port Enterprises. The list is very detailed and covers tariffs for services and facilities for boats, cargo, warehousing, special facilities, as well as sanctions for infractions of the law.

Pursuant to DSPO 75-78-EF, new maximum interest rates of 3.5% may be authorized by the Central Reserve Bank of Peru, for the encouragement and promotion of internal savings.

DS 022-78-ICTI/CO-SE sets forth the procedure for the importation of products excluded from the list of products susceptible of importation.

DS 0054-78-EF prohibits the importation of color television receivers, including those brought in as equipment. Color televisions that have been brought into the country without the payment of the corresponding tariffs will be confiscated. This decree is a reflection of the economic and financial condition of the country, which resulted in a call for national austerity.

In Exchange Resolution 004-78-EF/90, the Central Reserve Bank of Peru resolved to establish operating procedures for the exchange market.

The Central Reserve Bank, in Exchange Resolution 11-78-EF/90, resolved that after November 11, 1978, the importation of goods in the private sector should be financed for a time of no less than 150 days.

The approval of the inclusion of products to which the government gives incentives to export by way of rebates, detailed along with their respective percentages of reimbursement on the qualified list of products not traditionally exported, was granted by DS 022-78-ICTI/CO-SE.

UNITED STATES

Public Law (PL) 95-354 amends the Fishery Conservation and Management Act of 1976 and provides the Secretary of Commerce with statutory authority to regulate foreign fish processing vessels within the U.S. fishery conservation zone. The Secretaries of the Departments of Treasury, Commerce, and State are directed to prepare and submit a report to Congress on all tariff and non-tariff trade barriers imposed by foreign nations on the importation of fish from the United States.

The Agricultural Foreign Investment Disclosure Act of 1978, PL 95-460, requires foreign persons who acquire, transfer, or hold any interest, other than a security interest, in any agricultural land to report the information required to the Secretary of Agriculture within 90 days.

PL 95-393 codifies the provisions of the Vienna Convention on Diplomatic Relations, which entered into force with respect to the United States on December 13, 1972.

PL 95-474 amends the Port and Tanker Safety Act and authorizes the establishment of vessel operation requirements in ports under the jurisdiction of the United States.

PL 95-504, the Airline Deregulation Act of 1978, was approved on October 24, 1978.

PL 95-505 amends the Merchant Marine Act of 1936 to permit the United States to guarantee debt obligations for financing Great Lakes vessels in an amount not exceeding 87½% of the cost of construction.

PL 95-508 extends the existing suspension of the rates of duty on metal waste and scrap until June 30, 1981. PL 95-516 extends the suspension of duty on natural graphite until June 30, 1981.

As to pending legislation, the Senate Committees on Commerce, Science, Transportation, and Foreign Relations reported S. 2053, a proposed Deep Seabed Mining Resources Act, which would promote the orderly and environmentally sound exploration for commercial recovery of hard mineral resources on the seabed. The House passed H.R. 33501, the companion measure.

The Senate passed S. 2236, proposing the Act to Combat International Terrorism.

The House passed H.R. 9998, the Ocean Shipping Act of 1978, providing for the regulation of rate-cutting practices of foreign states who own or control ocean shipping carriers.

UNITED STATES BILATERAL AGREEMENTS

Bahamas

An agreement entered into force August 17, 1978, continued the extradition treaty (TS 849) of December 22, 1931 between the United States and the United Kingdom. Treaty Series (TS) 849.

TIAS 7816 extended the application of the agreement of April 23, 1974 on preclearance for entry into the United States; the exchange of notes entered into force January 10, 1978. Treaties and Other International Acts Series (TIAS) 7816.

Brazil

An agreement extending the memorandum of understanding of September 6, 1974 was amended, regarding the scientific and technical assistance to be provided by the United States National Bureau of Standards. The agreement entered into force April 19, 1978.

Colombia

An agreement relating to trade in textiles and textile products entered into force August 3, 1978.

Haiti

A loan agreement was enacted to finance improvements to Haiti's Agricultural Feeder Road System, which will provide all-weather access to isolated rural communities.

Jamaica

A loan agreement for the integrated rural development project was signed and entered into force February 2, 1978.

Mexico

An agreement, TIAS 8852, was reached concerning fisheries off the coasts of the United States. The purpose of the agreement is to insure effective conservation, utilization, and management of the fisheries of a mutual interest.

On June 19, 1978, an agreement for cooperation on environmental programs and transboundary problems was entered into force.

TIAS 8750 and TIAS 8388 entered into force August 23, 1978, relating to the provision and utilization of aircraft to curb the illegal production and traffic of narcotics. .

Panama

An agreement relating to economic and military cooperation entered into force September 7, 1978.

Peru

A loan agreement for the rural development-agribusiness fund project was signed and entered into force May 31, 1978.

On June 30, 1978, a loan agreement concerning the subtropical lands development project was signed and entered into force.

VENEZUELA

Decree 2737 eliminates the tax on interest income, initiated five years ago for the purpose of financing agriculture, forest, and fishing investments.

The Ministry of Finance and Development resolved to modify the customs duties set forth in Decree 338 of August 13, 1974.

Standards for the financing of businesses dealing with alcoholic beverages are set forth in Decree 2777.

Decree 2780 reforms Regulation No. 3 of the General Banking Law.

The Ministry of Foreign Relations set up a convention with Portugal concerning the migration of workers, reported in the Official Gazette (GO) 2294 Extraordinary.

The legislature adopted the Amendments to the International Convention for Stopping Contamination of the Sea by Oil, GO 2314 Extraordinary.

Decree 2778, in the GO 2312 Extraordinary, modifies custom tariffs on the listed items.

The legislature approved the accord between the Andean Corporation of Development, which is reported in the GO 2310 Extraordinary.

Decree 2810 adopts the rule established in Decisions 24, 37, 37A, 70, 103, and 107 of the Commission of the Cartagena Accord.

Resolution PE/TA-78 adopted the Convention of Amnesty and Cooperation between Brazil and Venezuela. It established a commission to fortify relations in areas of common interest.

This report summarizes a select number of statutory enactments and other developments. Therefore, no decision should be made without consulting the complete texts and related materials; moreover, consultation with a competent local attorney is always recommended.