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INTER-AMERICAN LEGAL DEVELOPMENTS*

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ARGENTINA

The Foreign Service was extensively regulated by Law 20.957.

Law 20.974 concerning identification of citizens was amended. A new Chapter X was incorporated into Art. 1 itemizing penalties for falsification or misuse of documents and for failure to provide the government with information required by law.

The pay scale relating to the judicial branch, from Supreme Court Justice down, was modified by Decree 2111.

The Minister of Commerce in Resolution 22 declared a temporary suspension of imports previously listed in Resolution 88175 to be in effect until December 31, 1975, with certain exceptions. The import of used goods, whether or not reconditioned, has been temporarily suspended until December 31, 1977 unless they are expressly authorized and relate to the travel or shipping industries, non-commercial shipments, diplomatic importation, or mere commercial samples or displays. The Secretary of Foreign Commerce and International Economic Negotiations is charged with the implementation. The Secretary has also been charged with carrying out the provisions of Resolution 23, which decrees that as of August 4, 1975 declarations of import necessity will only be given effect under certain conditions. A time limit has been set for the validity of declarations of import necessity: the shipment must take place by November 30 of the year in which the documents were filed, according to Resolution 100. Resolution 110 establishes procedures for filing import

*Unless otherwise indicated governmental enactments cited refer to the year 1975.

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declarations. Circular RC 524 of the Central Bank introduced amendments in the system governing imports of capital goods.

Resolution 31 applies a rate of exchange of 60.00 pesos to the dollar to sales destined to meet shipping expenses out of the country.

A special tax from 20% to 40% was levied by Resolution 1699 (D.G.I.) against profits taken out of the country, pursuant to Law 20.557 and Decree 413/74. It will be collected by the General Tax Board, and the banking institutions authorized to operate exchanges will act as collection agents. The tax applies retrospectively to all applications for remissions presented to the Central Bank of Argentina on or after December 14, 1973. The tax percentage applied in any particular case is determined by the percentage of profits as compared with capital which could be reinvested in the country, as determined by the Secretary of Economic Programming and Coordination.

"Industrial Commodities" in Survey of Current Business has been adopted by Resolution 84 as the cost-price index to be used in compensating for liquidated foreign holdings as established by Decree 624/73, Art. 4.

Law 20.983 compels radio and television media to provide at least thirty minutes daily of free time to promote national tourism.

Law 21.018 abrogated Law 19.102 (1971) and reaffirmed the effectiveness of Law 16.652 (Organic Law of Political Parties). All political parties are required to adjust their charters to Law 16.652.

Bearer paper named "Adjustable National Bonds 1975/85" up to six billion pesos at 7% interest may be issued by the Central Bank under authority of the Treasury under Decree 2304, and "External Bonds, 1975" at variable interest up to 200 million dollars were authorized by Decree 2549.

Goods in customs' warehouses are limited to a six-month storage period if arriving by maritime transport and three months if arriving by air transport per Decree 2445.

Resolution 44 (C.N.V.) regulates the non-exchange market by establishing a register for those wishing to operate as intermediaries (agents) in the public sale of securities. The function of agent may not be performed by (1) those not engaged in commerce, (2) bankrupts (with certain exceptions), (3) those connected with companies engaged in the sale of securities, and (4) public employees.

Law 21.011 approved an energy agreement with Uruguay and in November 29 Argentina signed a commercial pact with Venezuela including the use of ships engaged in commerce between the two countries.

On October 7 an Internal Security Council was established to set national policy to deal with subversion and terrorism.

In late November, 1975 the Government announced that general elections scheduled for March, 1977 would be held late in 1976. Concurrently, the Government made a general calling to all political parties to join in a common effort to establish the bases for a future national constitution.

BAHAMAS

The following Acts, among others, were amended: Industrial Property Act of 1975, National Insurance Act of 1972, Representation of The People Act of 1969, and Immigration Act of 1967. The following, among others, were assented to on the dates specified: Theatres and Cinemas Act, 12 Sept. 1975, providing for the establishment of the Bahamas Plays and Films Control Board. The Act prohibits the presentation of productions deemed "obscene." The Law Reform and Revision Act, 12 Sept., 1975, which provides procedures for the reform and/or revision of Laws of the Bahamas, and creates and describes the functions of the Law Reform and Revision Commission.

In exercise of the powers conferred by section 171 of the Companies' Act, the Rules Committee, appointed under section 41 of the Supreme Court Act, issued the Companies' (winding-up) Rules, 1 Oct. 1975. The rules govern the judicial proceedings in "winding-up" under the Companies' Act, and revoke the Companies' (liquidation) Rules.

BELIZE

Belize continues to be a source of friction between Great Britain and Guatemala (7 *Law.Am.* 669, 1975). Disagreement over this territory (also known as British Honduras) dates back to a treaty of 1859 under which the borders between Belize and Guatemala were established. However, Guatemala considers the agreement void for alleged nonperformance of an essential condition of the treaty by Great Britain.

In October, 1975 events in Belize escalated. Both disputants made a show of force, each alleging a provocative build-up by the other party.

Great Britain's action against what it called "increased Guatemalan military activity near the border with Belize" was characterized by Guatemala as "an act of intimidation" and "aggression" and which could be met with force.

Meanwhile, both parties introduced resolutions in the U.N. General Assembly seeking to mobilize world support. The British resolution called for a declaration that any settlement regarding Belize "must be in accordance with . . . the inalienable right of the people to self-determination and independence," and preserve "the inviolability and territorial integrity of Belize." The Guatemalan resolution referred to Guatemala's claims to the disputed territory and called for negotiations and a report back to a U.N. Committee on colonialism. On December 8, 1975, the U.N. General Assembly voted (110-9-16) in favor of a resolution along the lines of the British resolution. Earlier on November 21, 1975, the General Assembly's Dependent Territories Committee had voted (103-12-13) in favor of Belize's independence.

The activity at the U.N. relieved the immediate tension in the area, and subsequently both parties agreed to resume negotiations in the first quarter of 1976. Basic positions appear to remain unchanged but the hope remains that this international irritant will attenuate, if not altogether disappear in 1976.

BOLIVIA

A decree promulgated on August 14, 1975 established new interest rates for certificates of deposit in local and foreign currency and also set conditions under which these could be redeemed. The same decree exempted from certain taxes savings accounts, certificates of deposit and the utilization of lines of credit. The above measures were designed to promote savings and to attract foreign capital.

Two decrees of October 3, 1975 covered (1) prohibition of importation of an extensive number of items as a protective measure for national industries, among them clothing, batteries, furniture, wines and soaps; (2) a mandatory deposit of 35% of the value of all imports, four months prior to the release of the merchandise from customs. Exempt were imports made under the General Hydrocarbon Law and the Mining Law, as well as imports of cement, wheat, cooking oils, plus grease, milk and pharmaceutical products.

Bolivia's protracted efforts to gain access to the Pacific appear closer to realization. Negotiations with Chile continue to move forward and considerable bilateral activity has taken place between the two countries. It appears that the two countries are close to an understanding based on an exchange of territory, but final agreement can not ignore Peru. A 1929 protocol between Chile and Peru provides that land within the Arican region (site of the proposed Bolivian outlet to the sea) may only be ceded to a third party by mutual consent. Accordingly, Peru has asked for disclosure of the proposed agreement; Chile has given assurances that no final cession of territory will take place without Peru's approval. Support for the Bolivian initiative is running high in that country, but a group of ex-Presidents of the Republic and leaders from various sectors of the economy have raised a caveat. Specifically, the group is concerned with the de facto status of the governments involved (Bolivia, Chile and Peru), and have suggested that there be a Bolivian national referendum on the subject so that the electorate be consulted and participate in a matter of such transcendental importance to the country.

BRAZIL

Decree Law 1.402, which amends article 4 of Decree-Law No. 1.083/70, introduces various exemptions from the Uniform Tax on Minerals for the sale of minerals used in the manufacture of fertilizers, soil nutrients and plant protectives in certain stages of their production.

Decree Law 75.730 reorganizes the National Superintendency for Food Supply (SUNAB) and sets norms for its task of implementing the policies determined by the National Board of Food Supply (CONAB) for the production, processing and distribution of foodstuff.

The Coordinator of the Fiscal Administration of São Paulo issued Communiqué CAT No. 3/75, clarifying the situation regarding export credits granted in operations with trading companies.

Decree-Law 1.401 admits foreign capital to the national stock exchanges and establishes norms for the taxation of the profits derived therefrom.

Decree 75.688 established the National Warehousing Scheme with the aim of promoting the construction, extension and modernization of various types of warehouses and silos, and of facilitating the acquisition of the pertinent basic equipment.

Decree 75.584 raised the minimum salary from May 1, 1975 for the whole of the national territory, and Law 6.205 abolishes the minimum salary as a factor of general reference for monetary correction.

The establishment of PORTOBRAS, which will replace the National Department of Ports and Waterways (DNPPVN), has been authorized by Law 6.222.

Comprehensive controls have been established for the general protection of the environment, setting standards for the prevention of pollution and contamination, and authorizing federal agencies to issue corresponding regulations and to close down polluting establishments. (Decree Law 1.413).

The Minister of Finance has been authorized to cancel international tariff concessions, to apply surcharges of up to 100% "ad valorem", and to impose other restrictive measures with regard to imports from countries which cancel or prejudice reciprocal concessions granted to Brazil or which render Brazilian exports difficult (Decree 76.084).

Decree 76.075 established a special commission within the Ministry of Transport to coordinate the acquisition of electric and Diesel-locomotives and to set standards for the corresponding supply contracts.

Under Law 6.235, the term of Law 4.331/64 dealing with the acquisition of real estate in the Federal District by foreign governments has been extended to June 30, 1977.

The following Central Bank actions are noted: Resolution No. 323/75, dealing with a) the formation, administration and scope of operation of companies involved in the investment of foreign capital on the national stock exchange, b) the registration of admitted foreign funds, and c) the remittance abroad of profits derived therefrom; Circulars Nos. 252/75, 253/75 and 254/75, which refer to Resolution 323/75 above, setting out norms for the registration of companies engaged in the investment of foreign capital on the national stock exchange; Circular 261/75 authorizing financial institutions to participate in national export companies which have been established in accordance with Decree-Law 1.248/73 and comply with the additional requirements set out in item III of Resolution 250/73; Resolution 330/75 opening a special line of rediscount has been established for the financial assistance of export houses engaged in the acquisition of goods destined for exportation and their storage in bonded warehouses; Resolution 327/75 requiring mutual investment funds to

comply with the following requirements: liquid assets must be at least Cr\$5,000,000 and they must be administered by investment banks or brokerage houses which have at their disposal a technical department specializing in economic and financial studies; Circular 268/75 re the National Warehousing Scheme Organization (PRONAZEM). The internal organization and scope of activities of PRONAZEM are approved. Its objectives are: a) to increase private initiative participation in the establishment of storage facilities, b) to provide for more storage room in the recently developed areas, c) to reduce the losses of stocks due to inadequate warehouses, and d) to increase the storage capacity for peak periods.

In the area of proposed or possible future legislation, the following are noted: A bill referring to Law 4.131/62 and Art. 5 of Decree Law 2.627/40, restricting the definition of foreign capital in general and setting out criteria for its classification; a bill prohibiting the negotiation of promissory notes drawn in transactions referring to the sale of real estate; a bill providing that reforestation projects undertaken by timber companies in accordance with Law 5.106 (1966) and Decree Law 1.134 (1970) will have to comply with the following requirements: a) the planted trees must be of the same species as the cut ones, b) the trees must be planted in the exploited area; and c) species alien to the region may not be planted; a bill to establish at Foz do Iguagu a free trade zone with free trade, export and import and special fiscal incentives in order to create in this region an industrial and commercial center; a bill to permit companies to deduct, from the total of their operational and extraordinary profits, the profits derived from the sale of real estate which was part of their fixed assets, provided that such profits are incorporated in their capital within six months from receipt of the corresponding payment; a bill stipulating that an amount up to 25% of the income tax due shall be deductible if it is distributed to employees as a gratification, and also a bill providing that six percent of the operational profits of a company shall be distributed to its employees.

Minister of Finance *Portaria* 296/75 provides that all foreign loans requiring the guarantee of the National Treasury will be signed in Brasilia, provided that no special circumstances justify their signing at the place of business of the foreign creditors; and Federal Revenue Service *Portaria* 528/75 establishes the conditions under which imported goods may be stored in bonded warehouses and names the agencies authorized to grant the respective permissions. *Portaria* SAT No. 6 establishes a uniform

procedure for the submission and the processing through official channels of inquiries regarding the application and the interpretation of the State tax laws.

The Convention for the Avoidance of Double-Taxation and the Prevention of Income Tax Evasion concluded on November 14, 1974 between Brazil and Spain has been ratified. (Legislative Decree No. 62/75).

In the courts the following decisions are noted: Regional Labor Court of São Paulo (Case No. 6.653) held that a work contract with an employee unable to perform the contracted duties will be automatically rescinded and the employer will not be liable for any compensation; Court of Justice of Minas Gerais (Appeal No. 40.195) ruled that rescission of expropriation is admitted under Brazilian law. Once the public necessity and usefulness of the expropriation are no longer prevalent, the right of the original owner has to be fully reestablished; Federal Court of Appeals (Appeal No. 35.486) held that the managing partner and majority holder of a company with limited liability which has failed to apply for bankruptcy and to disclose its assets, is infringing Art. 8 of the Bankruptcy Law and is held personally liable for the fiscal debts of the company except for its fines; Federal Supreme Court (Appeal 78.628) ruled that the Central Bank can decline to renew the concession of a financial institution on the grounds of questionable credit worthiness; and, in Appeal 881, that the shareholders extraordinary general meeting can authorize the redemption of shares even if the articles of association do not contain a provision to such effect and the shareholders concerned have not expressed their consent.

Two decisions by the Federal Supreme Court on the subject of divorce are of interest. Decision 2,235 denied ratification of a divorce obtained in the Dominican Republic because it was pronounced by a court alien to the nationality, domiciles and place of marriage of the parties; and, in Decision 2.260, a divorce pronounced abroad in which one party was Brazilian was ratified with reservations. Although the Brazilian party had by marriage obtained French citizenship, Brazilian citizenship had not been lost because the Brazilian constitution does not stipulate marriage as a cause for loss of nationality.

CANADA

The following, among others, have been passed by the Federal Parliament: Petroleum Administration Act; Radio-Television and Telecom-

munications Act. The following were amended: Department of Industry, Trade and Commerce Act; Excise Tax Act; Olympic Act; and the Customs Tariff Act. The following were proclaimed to come into force: Customs Amendment Act; Farm Credit Amendment Act; Law Reform Commission Amendment Act; National Housing Amendment Act; St. Lawrence Ports Operations Act; and West Coast Ports Operations Act.

BRITISH COLUMBIA

The following, inter alia, have come into force: Natural Gas Revenue Sharing Act; Labour Education Centre Act. The following were proclaimed to come into force: Social Assistance Amendment Act and British Columbia-Alberta Boundary Act.

MANITOBA

The following were scheduled to come into force: Planning Act; Gas Storage and Allocation Act; and the Act Respecting Disclosure of Interest in Public Matters and Conflicts of Interest of Public Office Holders.

NEW BRUNSWICK

The following, among others, came into force: Guarantee Amendment Act. The following were scheduled to come into force: Business Corporation Act and Ecology Reserves Act.

ONTARIO

The following, inter alia, received royal assent: Environmental Assessment Act; Environmental Protection Amendment Act; Labour Relations Amendment Act; Insurance Amendment Act; Public Lands Amendment Act; and the Territorial Division Amendment Act. The following, among others, were proclaimed to come into force: Corporations Tax Amendment Act; Expropriations Amendment Act; Forestry Amendment Act; Home Buyers Grant Act; Unconditional Grants Act; Succession Duty Amendment Act; Administration of Courts Project Act; Industrial Safety Amendment Act; Judicature Amendment Act; Juries Amendment Act; Travel Industry Act; and Trustee Amendment Act.

PRINCE EDWARD ISLAND

The following, among others, were proclaimed to come into force: Chancery Jurisdiction Transfer Amendment Act; Environmental Protection Act; Income Tax Amendment Act; Market Development Centre Amendment Act; Labour Amendment Act; and Workmen's Compensation Amendment Act.

QUEBEC

The following, among others, were assented to: Charter of Human Rights and Freedoms; Farm Improvement Amendment Act; Farm Credit Amendment Act; Forestry Credit Act; Expropriation Amendment Act; Taxation Amendment Act; Industrial and Commercial Establishments Amendment Act; Bar, Notarial and Professional Code Amendment Act; Public Health Protection Amendment Act; Agricultural and Food Amendment Act; and Financial Institutions, Companies and Cooperatives Department Amendment Act.

SASKATCHEWAN

The following, among others, were proclaimed to come into force: Agricultural Incentives Amendment Act; Farm Cost Reduction Act; Labour Standards Amendment Act; Magistrates Courts Amendment Act; Married Women's Property Amendment Act; Ombudsman Amendment Act; Queen's Bench Amendment Act; and Saskatchewan Bill of Rights Amendment Act.

CARIBBEAN

ANGUILLA

In November, 1975 Anguilan and British officials met to discuss a draft of a new constitution for the Caribbean Island. Under the proposed constitution, Anguilla would remain under British jurisdiction but with certain autonomy in internal matters. The Government of St. Kitts-Nevis opposes the proposed status for Anguilla on the ground that the latter still forms part of the original political entity composed of the three territories.

BARBADOS

By the Hotel Proprietors Act, No. 2 of 1975, the common law duty of an innkeeper has been extended to attach only to a hotel proprietor in Barbados. The Act then defines the duties of proprietors in relation to reception of guests and notwithstanding the common law remedy available to a person alleging breach of duty in relation to the proprietor's duty to receive and entertain him (Section 5) or in relation to the proprietor's liability for loss of, or damage to, the property of the guest, the Act gives a right of action to the person so alleging in the High Court and without proof of special damage (see the common law position in *Constantine v. Imperial Hotels* [1944] KB 693). That apart, a breach of Section 5 duties may lead to a summary conviction of the proprietor and is punishable with a fine of up to \$1,000. Similarly, a proprietor who fixes a charge or makes a charge for the provision of any facility which amounts to discriminatory treatment is liable to summary conviction and may pay a fine not exceeding \$500 or to serve up to three months imprisonment (Section 6(1)). In addition, where the proprietor is likely to persist in his discriminatory conduct, unless restrained, the Attorney General may apply to the High Court to issue such injunction as the Court may consider proper in all the circumstances to prevent further contravention of that Section. The Act also deals with such circumstances in which a proprietor is not liable for loss of or damage to, the property of the guest (Section 9 (2)); fixes the limits to the proprietor's liability in accordance with Section 9; while Section 10 prescribes the proprietor's lien and power of sale.

The Barbados Protection of Wages Act, 1951 has now been significantly amended by the Protection of Wages (Amendment) Act, No. 16 of 1975. The amending law has redefined the terms "wages" and "worker". It is illegal, null and void to pay wages otherwise than in legal tender; this, however, does not include a cheque drawn at a lawfully established bank. Section 5 of the Amendment deals with deductions which an employer can make in respect of the worker's wages thus repealing and replacing Section 9 of the principal Act. The Barbados Citizenship (Amendment) Act, 1975 (No. 25) amends the 1967 Barbados Citizenship Act by giving the Minister of Home Affairs power to issue to an applicant a certificate of registration of citizenship in the prescribed form while he is also empowered to issue a certificate of renunciation of Barbados citizenship to the party seeking so to renounce.

Heading the list of important legislation for the year in Barbados is the Immigration Act, No. 2 of 1975 the express object of which is to control the entry of persons into Barbados. This Act repeals the Colonial Immigration Act of 1952 which was intended to be part of a scheme designed by the Imperial Parliament to deal with British subjects within the then British Empire. But the Act also dealt with entry into Barbados of persons other than British subjects. Immigration control was thereby only exercised over "prohibited immigrants". The 1975 Immigration Act deals with entry into Barbados of citizens and residents (Section 4). Section 5 defines persons who are residents of Barbados followed by Section 6 on persons who may be granted that status, while Section 7 deals with the loss of that status. Prohibited immigrants are defined in the First Schedule to the Act and the entry of such persons into Barbados is the subject of Section 8. No person may enter Barbados by sea or air except at a port of entry nor could anyone arriving in Barbados either by sea or air disembark without the consent of the immigration officers. Corresponding duty is imposed on the master of the vessel not to allow that person to disembark when that person does not have the permission of the immigration officer. Special provisions are made for seamen in Section 14. Part III of the Act regulates work permit matters. The removal of persons not permitted to enter Barbados, deportation (Section 21) and detention (Section 22) are the subjects of Part IV. Section 23 purports to remove the proceedings, decision or order of the Minister or an immigration officer from the province of judicial review "on any ground whatsoever" where the matter relates to (a) refusal of permission to any person to enter Barbados or the removal of that person from Barbados; or (b) the detention or deportation of any person. The right of appeal in the circumstances is reserved for a citizen or resident. Part V of the Act deals with the administration of the Act, while Part VI makes provision for miscellaneous matters.

Law Revision (Miscellaneous Amendments) Act, 1975-78 is intended "to make certain miscellaneous amendments to the Acts in force in Barbados on 31st December 1971, for the purposes of, and in connection with, the incorporation of those Acts into the Revised Editions of the Laws of Barbados." The Laws of Barbados dated 1971 have only recently been published after it had taken the Marshall Patchett Law Commissioners between 1967 and 1975 to produce the revised Laws of Barbados. The Law Revision Act makes general amendments relating to fines and pen-

alties (Section 2), general amendments relating to the making of statutory instruments (Section 3) while the Schedule to the Act contains a long list of enactments amended.

The law relating to the Post Office in Barbados has now been revised, amended and consolidated. The major effect of this is that the Post Office Act, No. 8 of 1911 is repealed. The new law confers upon the Postmaster General special powers (Section 3) and Section 4 gives him exclusive privileges over (a) conveying from one place to another within Barbados any letters; and (b) performing all the incidental services of receiving, collecting, sending, despatching all letters within Barbados and all letters going to or coming from places outside Barbados. Sections 5-9 provide for postage—i.e. payment of postage, exemption from postage, unpaid or insufficiently prepaid postal articles, recovery of postage and provision of stamps, stamped envelopes, etc. The manner in which the proceeds of the postage and other charges so collected may be disposed of is covered by Section 10. Provisions are made in Section 11 for the transmission of money by post. Part VII of the Act regulates the conditions of transit. The Post Office for instance, cannot “incur any liability by reason of the loss, misdelivery, or delay of, or damage to, any postal article in course of transmission by post, except in so far as such liability may in express terms be undertaken as provided by this Part” (Section 13(1)). The Post Office has powers to detain postal articles (Section 15), intercept postal articles in public emergency (Section 16), to detain and open mail bags (Section 17), to open certain postal packets (Section 18), and to withdraw prohibited articles from transmission (Section 19). General offences have been created dealing with stealing of mail (Section 30), unlawfully taking away or opening mail bags (Section 20), receiving of stolen mail bags or postal packets (Section 32), fraudulent retention of mail bags or postal packets (Section 33), criminal diversion of letters from addressee (Section 34), stealing, embezzlement, destruction of a postal packet in the course of transmission by an officer of the Post Office (Section 35), any officer of the Post Office who acts fraudulently in connection with the receipt and delivery of postal articles (Section 36), any employee of the Post Office delaying postal packets except as provided in Section 37, any person employed to convey mails acting carelessly, negligently or misconducting himself in carrying or delivering mail bags or postal packets (Section 38), placing injurious substances in or against post office letter boxes (Section 39), imitation of post office stamps, envelopes, forms and marks (Section 41), knowingly dealing, making, or selling fictitious stamps (Section 43), obstruction and molestation of the officers of the Post Office (Section 45) and sending of or attempting

to send explosive substances, a dangerous substance or the like through the Post Office (Section 49). Information leading to the prosecution for each and everyone of these offences would only be laid by the Postmaster General or his duly authorized agent for that purpose (Section 54).

In Barbados, there is now established a Port Authority—a body corporate by virtue of Section 3 of the Barbados Port Authority Act, No. 19 of 1975. The functions (Section 4) and the powers (Section 5) of this newly constituted authority are accordingly provided. A Port Fund is also established. All the revenue of the Port Authority, and all sums received by the Port Authority, shall be paid and out of which all payments by the Authority shall be made (Section 7(1)). Other matters relating to financing of the Authority's activities are regulated by Sections 8-10, application of moneys of the Authority in Section 11, authorised investments (Section 12), dues chargeable by the Authority (Section 13). The administration of the Authority is the subject of Part IV of the Act. Thus, the power of the Authority to appoint officers and other employees (Section 18), disciplinary proceedings against members of the staff of the former Port Department (Section 20), pension and superannuation rights of the transferred officers are preserved (Section 21) and responsibility of certain officers (Section 24), are provided for. Sections 25-27 provide for the responsibility of the Authority as a warehouseman. Description of goods to be warehoused or stored or carried shall be sufficiently described to enable the Officer of the Authority to determine the appropriate dues or charges payable in respect thereof (Section 28), the position of unclaimed goods in the possession of the Authority (Section 29), removal of goods after sale (Section 30), dangerous and offensive goods (Section 31), all constitute Part VI of the Act. Accidents in the harbour form Part VII of the Act. Provisions are also made for compulsory pilotage harbours (Section 36) master arriving in a harbour to supply information (Section 38), what harbour rates and charges that may be levied (Section 39), the power to arrest ship for harbour rates and charges (Section 40), and the power of the General Manager to retain goods until freight, rates, charges and custom duties are paid in respect of such goods but the Authority is not liable for any demurrage which may occur or be due on any ship, "however such demurrage may have been caused" (Section 44). While Part IX deals with the vesting of certain property, rights and liabilities in the Port Authority, Part X deals with offences, Part XI concerns General Legal Provisions and Part XII is a miscellaneous part.

Public education in Barbados was also a subject for legislation in 1975. With the Education Act, No. 23 of 1975, the old Education Act of

1890 is repealed. Also repealed are the Higher Education (Loan Fund) Act, 1953 and the Government Scholarships and Exhibitions Act, 1959. The new Act deals with scholarships, exhibitions and loans to tertiary education in Part VII. The System of public education is the subject of Part II. Central administration of education is under the Ministry of Education and the general functions (Section 3) and particular functions (Section 4) of the Minister are clearly stated. Under the Minister's direction is the Chief Education Officer who is responsible for the general administration of the Act (Section 5). There is established an advisory body known as the National Advisory Commission on Education (Section 6) made up of a chairman, deputy chairman and not less than nine and not more than fifteen other members who shall be appointed by the Minister (Second Schedule to the Act). The Schedule also deals with tenure of office of members of the Commission, revocation of appointment of members, temporary appointments, resignations, forfeiture of membership, filling of vacancies, publication of membership and the regulation of the Commission's meetings. The existence of the Commission does not mean that the Minister may not make use of special advisory committees (Section 7). Provisions are made for the control and registration of private schools—Part IV. A duty is imposed on every parent in Barbados to cause his/her child, when the child comes of compulsory school age, to receive full time education (Section 50). Exemptions from compulsory school attendance are stated in Section 54, the penalty for contravention of Section 50 is stipulated in Section 32. There is now a Registration Board for Teachers whose duties are: (a) to deal with the registration of teachers, (b) to ensure the maintenance of proper standards of conduct of registered teachers (Section 55). Section 56 deals with the registration of teachers while Section 57 deals with censure, suspension and striking off the register of registered teachers. A Registration Appeal Tribunal, whose constitution is specified in the Sixth Schedule to the Act, will hear appeals from an aggrieved person who has been refused registration by the Registration Board (Section 59). From the decision of the Registration Appeal Tribunal, an appeal lies to a Judge in Chambers whose decision shall be final (Section 59(3)). Inspection of every public educational institution and every registered private school and matters relating thereto are covered in Sections 63-65. Miscellaneous provisions appear in Part IX.

At the time of writing, a Bill entitled the Succession Act, 1975 is before the Barbados Parliament. The object of the Bill appears from its long title, "Act to amend and consolidate the law relating to succession to the property of deceased persons and, in particular the devolution,

administration, testamentary disposition and distribution on intestacy of such property and to provide for related matters." The extent to which this proposed Act will radically alter the law of succession in Barbados could be seen from the number of previous pieces of legislation which it purports to sweep aside. The whole of the following Acts will be repealed: The Dower Act, 1878; The Wills Act, 1891; The Inheritance Act, 1891; The Escheat Act, 1899; The Intestates Estates Act, 1910; The Real Property (Devolution) Act, 1935; The Wills (Soldiers and Sailors) Act, 1944 and The Wills (Amendment) Act, 1967. Then the following have been amended in certain respects: The Court of Ordinary Act, 1891 and The Guardian Executors, Administrators and Trustees Act, 1891.

When the Succession Act becomes law, it will assimilate the law respecting real and personal property so that realty will devolve and be distributed in the same way as personalty. The central theme of the legislation is to restrict the testator or testatrix from disinheriting his or her spouse and/or children who are minors or incapacitated without just cause and to eliminate discrimination against children born out of wedlock. The Act will abolish the existing law relating to intestate succession with particular reference to descent to heir, curtesy, dower and escheat (Section 4). Apart from devolution of real and personal estate on death, the new law will regulate: executors and administrators, grants of representation, administration of assets, distribution on intestacy, wills, conflict of laws relating to testamentary disposition, legal rights of testator's spouse and provision for children, exclusion from succession and disinheritance, and other matters relating thereto.

JAMAICA

The international arbitration tribunal established to adjudicate the bauxite tax dispute between Jamaica and the three United States aluminum companies (Kaiser, Alcoa and Reynolds) is proceeding to consider the case in spite of the position of the Jamaican government. Specifically, that position is that "any legal dispute arising directly out of an investment relating to minerals or other natural resources" is not subject to the convention establishing the International Center for the Settlement of Investment Disputes (ICSID). Jamaica's position was challenged on the basis that under the terms of the convention a country could declare some kinds of investments exempt from its provisions only by advance notice, not after the fact. The tribunal in July, 1975 ruled that it had jurisdiction, and unless something intervenes the way is clear for consideration

of the case on the merits. One possibility is withdrawal by the aluminum companies, two of which have indicated an intention to negotiate new agreements with Jamaica. If a decision on the merits is handed down by the tribunal in favor of the aluminum companies, the question will then be—will Jamaica comply?

SURINAM

After nearly three centuries of Dutch rule, Surinam became independent on November 25, 1975 after its constitution was approved unanimously by the thirty-six members of Parliament. Immediately thereafter the new nation stepped smartly into international activities. Shortly after independence it joined the Caribbean and Latin American nations as a member of SELA; subsequently it followed this regional move with membership in the United Nations.

CHILE

Decree 1.055 created new free zones and bonded warehouses, and also modified regulations for free zones; and Decree 1226 authorized Chilean buyers to delay payment of customs duties and other levies under certain conditions.

Decree Law (DL) 1.089 established new legislation for petroleum. Relevant points of the law follow:

1) The political Constitution grants control to the State over all hydrocarbon deposits. This does not exclude the Government's right to celebrate special contracts for exploration and exploitation services which, considering the particular development of the fuel market during the last years, must be flexible.

2) The law lists contractor's obligations, such as: proof of residence in Chile, availability of total capital, equipment installations, materials, personnel, technology, among others.

3) Area of exploitation shall not exceed half that of exploration.

4) Exploitation operations shall be initiated within a maximum of one year from the end of the exploration period.

5) Exploration and exploitation periods shall not exceed five and thirty years respectively.

6) Compensation to contractor for his services shall be called "retribution" and may be stipulated in Chilean or foreign currency. It will cover all investments and costs as well as contractor's profit.

7) The contractor shall be subject to tax calculated directly on the total amount of the retribution.

Decree Law 1.107 creates non-profit Agricultural Cooperative Associations to promote cooperation and mutual help among small-scale farmers. The new associations will be subject to taxes equivalent to those now paid by the Agricultural Producers' Cooperatives.

DL 1.122 modifies Art. 15 of DL 600 (Foreign Investment Law) relative to taxes paid by foreign investors.

Beginning September 29, 1975, per DL 1.123, Chile's new monetary unit is the *peso*, equivalent to 1,000 *escudos*. Subsequent to the above date use of the new unit in all documents is mandatory; failure to comply nullifies the document.

DL 1.125 affects agrarian reform. Specifically, it sets the criteria for indemnization as the valuation on the date the property was appraised.

Supreme Decree (DS) 950 (Treasury) establishes a new customs schedule; DS 956 of the same Ministry regulates the issuance of bonds and debentures by corporations; and DS 958 regulates State paid bonuses for forestation projects.

DS 890 (Interior) supplements Law 12.927 (State Security Law) and includes among the crimes therein those relating to destruction of industrial properties, strikes and work stoppages which affect adversely the public order.

The Banking Law was modified by DL 1.171 in the matter of penalties respecting reserves, also with respect to the authority given to banks to operate in the securities market. Further, commercial banks were authorized to open savings departments.

The Development Banks Law (No. 16.253) was amended regarding the collection of funds and granting of credit. Mortgage banks are required to become Development Banks or *entidades financieras*.

DL 1.183 provides that all entities covered by Law 16.880 (*Juntas de Vecino*), receiving any type of contribution must account every six months for all types of income, as well as expenses. Foreign contributions must be channeled through the Central Bank.

The National Solidarity Fund is partially regulated by DS 1.088 of the Ministry of the Interior.

DS 14 approves the Regulation of the Chilean Institute for Export Promotion, charged with promotion and development of non-traditional exports.

The Organic Code for the Courts was modified, specially with reference to the merger of certain tribunals and the standards applicable to judicial personnel (DL 1.168).

The following activities of the Central Bank are noted: *Acuerdo* of June 5 set norms for future purchases and sales of foreign exchange; *Acuerdo* of July 31 provided for availability of foreign exchange to meet commissions and technical assistance expenses at the time the Foreign Investment Committee approves the contract with a foreign concern; *Acuerdo* of October 6 permits banks so authorized to deal freely in foreign exchange of Argentina, Bolivia, Uruguay, Peru, Brazil and Paraguay; *Acuerdo* of October 9 regulates the collection and placing of funds by commercial banks; *Acuerdo* of October 13 authorizes exporters to repurchase foreign exchange up to certain limits and for specified purposes; Diario Oficial (DO) of October 21 and 24 contain an extensive compendium of norms regulating international exchange; and DO of October 23 updates the regulations on exports.

DS 664 (Foreign Affairs) promulgates the Convention on the Recognition and Execution of Foreign Arbitral Awards, (New York, 1958).

Decree No. 1.239 establishes a new legal regulation for the automotive industry effective January 1, 1976. Only those firms elected by the Ministry of Economy, Development and Reconstruction which have made contracts with Chile in accord with the disposition of this decree, within a period of sixty days dating from its publication in the Official Gazette, can operate in Chile. In no case can more than three automotive firms be authorized.

In his message to the nation on the occasion of the second anniversary of the military takeover in 1973, President Augusto Pinochet announced the creation of a "Council of State," to be the highest consultative organ of Chile to offer the government of the Republic "highly qualified advice on matters of the greatest importance to the life of the country." The Council will be integrated by all ex-Presidents of the

Republic—there are three actually living—an ex-President of the Supreme Court, an ex-Attorney General, an ex-Commander-in-Chief of each of the armed forces and prominent civilians.

COLOMBIA

In furtherance of Resolution 2164 (1974), Circular General 31 states that in the case of chartering airplanes of foreign registry, the office of Exchange requires the following priorities be observed.

- a) For granting authority for non-scheduled flights outside of the national territory the priority will be: (1) Colombian enterprises designated for the route; (2) Colombian enterprises not designated for the route but registered as being capable to handle the route; (3) foreign enterprises designated for the route; (4) foreign enterprises not designated for the route but registered as being capable to handle the route; and (5) other enterprises.
- b) Colombian registered aircraft must be used, when available, on all flights.

In an ongoing effort to deal with a growing energy problem, Resolution 33 was promulgated to grant a more favorable exchange rate for the promotion of natural gas production. In lieu of using the special petroleum rate of P20:\$1, gas producers are now permitted to use the normal exchange rate.

A new Secretariat of Popular Integration was created by Decree 1543. It will have the function of initiating and carrying out programs to facilitate the incorporation into the national community of groups of low economic and social levels.

Pursuant to Resolution 39, the Agrarian Industrial and Mining Bank has been authorized to sell fertilizers on credit to groups of the agricultural and cattle-breeding sector provided the following requirements are met: (a) the credit is backed by a mortgage; (b) the amount of the credit may not be higher than Col. \$30 million per group; (c) the maximum period be one year; (d) the maximum interest rate be seventeen percent per year.

New regulations were promulgated that authorize the Central Bank to buy all foreign currency coffee exporters obtain from loans made for financing the marketing of the coffee. In addition, Resolution 37 pro-

vides that the Central Bank will buy the foreign currency at the rate of the exchange certificates market value prevailing on the date the transaction is made.

Decree 1661 contains extensive regulations on a wide variety of matters pertaining to water navigation such as vessels and their ownership, captains, agents, risks, losses, salvage, average, leases, charters, and indemnification, among others. The decree is divided into two parts, the first dealing with substantive matters and the second with procedural subjects. The Ministry of Public Works is charged with the implementation of the decree.

Under Decree 1670 the government put into effect completely new and sweeping legislation dealing with all phases of government contracting with the private sector. Foreign bidders on government contracts must either set up a branch in the country or appoint an agent as a condition to qualifying to enter into a contract with the government. Colombian companies may execute such contracts only if they are in existence for at least ten months before the date on which the bid is opened by the government, or the contract is signed if no bidding is involved. The decree contains very important "buy Colombia" rules which are to be applied by government agencies in determining sources of purchases. The decree also provides for certain rules which are deemed to be part of all contracts by the government, whether expressly stipulated or not. Decree 1670 was promulgated pursuant to extraordinary powers granted to the President by Law 28 (1974).

The President, pursuant to Decree 1923, delegated authority to all Ministers to execute contracts on behalf of the Colombian nation when the amount is less than Col. \$5 million.

The Minister of Mines and Energy has been authorized by Decree 1736 to make monthly adjustments to the per gallon price of gasoline. The price structure will be adjusted to take into account the increased costs resulting from the deficiency in the national production of hydrocarbons.

New regulations were issued by the Ministry of Finance governing the minor imports system under Decree 1769.

The following 1975 Resolutions, and Circulars are deemed pertinent:

- (1) The Monetary Board of the Central Bank has issued a series of resolutions aimed at reducing the amount of money in circula-

tion, thus hoping to prevent accelerated inflation stemming from increased available foreign currency reserves. Resolution 56 increased the legal reserve requirements of banks by one point (to 36%) and increased the reserve requirements to 60% on savings deposits created by public agencies. Resolution 59 authorized the Bank to make certain payments abroad for items such as price of imported goods and principal and interest on registered loans abroad, among others. Resolution 50 modified the conditions under which foreign loans to the private sector are registerable with the Exchange Control Office. The total loan may not be payable prior to sixty months, and the installment payments must be (1) up to 1/3 of the total credit not payable before twenty-four months, and (2) up to 2/3 not payable prior to forty-two months.

(2) Resolution 43 provides for a special credit quota of U.S. \$18 million to help textile producers meet their foreign currency obligations.

(3) The price for crude oil derived from the marginal reserves of fields presently under exploitation was raised to U.S. \$3.60 per barrel by Resolution 46. Higher crude oil prices were also set for new production obtained in association with ECOPETROL (the national oil company) pursuant to Resolution 45. The price for regular gasoline sold to the public was increased to Col.\$4.00 per gallon per Resolution 1821. Transportation rates for oil derivatives passed through ECOPETROL's pipelines were also increased to Col. \$.60 per gallon under Resolution 1820.

(4) By Resolution 2356 the Superintendent of Insurance issued a new set of regulations governing Group Life Insurance. This replaces Resolution 217 (1960). It covers such important topics as the obligations of the insured, conditions in policies and, most importantly, authorized premiums.

(5) According to Circular 3,763 the Andean Development Corporation and the Central Bank have signed an agreement under which a line of credit up to \$2.5 million shall be available through financial intermediaries to finance "integration projects" presented by Colombian companies.

In December, 1975 Colombia entered into an economic cooperation agreement with the Soviet Union.

In mid-December the President signed into law the bill providing for the conversion of all foreign banks into Colombian companies (7 *Law. Am.* 658, 1975.)

COSTA RICA

Law 5715 confers juridical personality on all associations recognized by the State.

The Penal Code was modified as follows: Law 5743 amended Art. 28 broadening the scope of self-defense to counteract the wave of criminality in the country; Law 5761 amended Art. 81 to include in private actions the crimes of calumny, defamation, non performance of family duties and unfair propaganda, among others. The same law added a new article to Art. 81 to include in private actions a number of crimes, among them, sodomy and dishonest abuses; it also modified Art. 162 relating to the crime of rape. Lastly, Law 5761 modified Art. 346, 348 and Transitory Articles I, II, and III of the Code of Criminal Procedure concerning the submission of records to the Trial Court, conciliation of the parties at any stage of the proceeding, the status of proceedings on the date the new Criminal Code became effective, and the option of the accused to be bound by the previous Code. Other laws also affected the Penal Code: Law 5765 grants the Council of Government the exclusive right of pardon after receiving the views of the Supreme Court and the Institute of Criminology; Law 5789 increases the confinement from six to ten years for those guilty of kidnapping for monetary, political, religious or social ends. This same law amends Art. 297 to provide release from confinement under special conditions, and lastly Law 5789 modifies Art. 371 and 372 of the Health Law by establishing penitentiary sentences of six to three years for those cultivating plants which may be converted into drugs. In Costa Rica it is not a crime to smoke marihuana, but the person concerned is subject to security measures. Law 5823 provides for the incarceration of anyone who, in a state of drunkenness, causes a scandal in a public place or disturbs its tranquility.

Law 5785 grants the Coffee Bureau juridical personality plus the right to fix production quotas and percentages for export and local consumption.

Law 5762 exempted the Roman Catholic Church and other churches recognized by the State from the payment of duties on religious articles.

Law 5776 placed the *Banco Popular y de Desarrollo Comunal* under the supervision of the Office of the Comptroller of the Central Bank.

To finance the nation's agrarian reform, Law 5792 established a tax on the consumption of cigarettes, soft drinks and national liquors.

Businessmen who contract with local artists must pay a special tax and deposit a bond with the Ministry of Culture per Law 5812.

Law 5813 set forth new requirements for titling of property.

The following 1975 Executive Decrees are noted: No. 5014-H establishing a tax on international travel originating in Costa Rica to finance the National Museum; 5052-P regulating bidding procedures with respect to the National Production Council; 5053-T setting forth new requirements for agricultural aviation; 5098-C recognizing the social aspect of sports and the role of the State in this area; 5094-C establishing the National Center of Anthropological Investigations; 5117-G declaring the Costa Rican Medical Services Association an entity affected with the public interest; 5100-P-MEIC establishing an Industrial Sectorial System, within the National Planification System, to coordinate activities between the public and private sectors in the area of development; 5119-RE-MEIC constituting the General Secretariat of the Caribbean Merchant Fleet (NAMUCAR), with situs in San José; 5120-H requiring prior approval of the Central Bank before financial institutions may contract for foreign resources; 5105-A establishing the Department of Agriculture within the Ministry of Agriculture; 5147-A-P creating the *Sistema de Planificación Sectorial Agropecuaria*; 5154-P imposing the distribution of petroleum derivatives on the Costa Rican Petroleum Refinery, S.A. and authorizing the transfer of the installations, equipment, etc. of the oil companies to the above entity; 5171-P establishing the National Council for Small Business and Handcrafts; 5161-SPPS regulating human transplants; 5262-G regulating the Radio Law by designating what is a radio announcement and by establishing for the registration of all radio announcers; 5258-RE establishing the Maritime Frontiers Boundary Commission to determine the maritime boundaries of the nation in furtherance of the constitutional amendment which extended such limits to 200 miles.

Internationally, the following are noted: Law 5751 approved the International Sugar Agreement; Law 5788 approved the Protocol modifying the Second Protocol to the Central American Agreement on Fiscal Incentives for Industrial Development; and Law 5797 approved a Loan Agreement with the United Kingdom for 7.7 million pounds.

One bill presented to the Legislature in the last half of 1975 is deemed worthy of special notice. The proposed legislation by the Executive entitled *Proyecto de Ley de Ordenamiento Agrario y Desarrollo Rural* aims to carry out an extensive agrarian reform and a redistribution of lands.

CUBA

The new Cuban constitution was approved by the first Cuban Communist Party Congress held in Havana in late December, 1975. The constitution provides for a national assembly to be elected every five years. All Cubans sixteen and over will have the right to vote. The assembly will name a state council, which will elect a president of the country and six vice presidents. The constitution will be submitted to a referendum February 15, 1976 and it is planned that it will go into effect on February 24, the anniversary of the launching of the war for independence by José Martí. A new political division of the island was also approved by party delegates. There will be fourteen provinces rather than six as at present. Local assemblies in all towns will work with the party organization, and help in drafting five-year plans for social and economic development.

According to agreements signed in Kingston in mid-November, 1975, Jamaica will offer Cuba public health and tourism expertise and the use of a local port in return for Cuban assistance in agricultural machinery and dam and housing construction. The agreements resulted from week-long discussions on specific plans to implement a mutual-assistance pact approved in July, 1975 by Prime Ministers Michael Manley of Jamaica and Fidel Castro of Cuba. Jamaica agreed to let Cuba use its transshipment port at Newport West. It also promised to send a team of public health specialists to Cuba to make recommendations and assist in developing health and environmental-projection projects there. Cuba will provide mechanical cane cutters for Jamaica's sugar industry, set up a prefabricated housing factory capable of turning out 400 units a year and assist Jamaica in constructing a series of small dams.

Cuba and the USSR have signed an agreement dealing with cooperation in the nuclear field. A key project is the construction of a Soviet designed nuclear plant, scheduled to become operative in 1978.

DOMINICAN REPUBLIC

Law 114 established the National Zoological Park, to also serve as an educational and research center in matters concerning the biological sciences in general.

Law 115 imposes a tax on unimproved urban property which increases in value resulting from the construction of public works by the State, for example streets and adjacent buildings.

Law 168, the Narcotics Drugs Law, is an extensive legislative enactment whose thrust is the elimination of the illegal drug traffic in the Dominican Republic. Chapter I contains basic definitions and classifies the users as well as those who deal in drugs legally and illegally. Chapter II covers the different types of drugs and Chapter III deals with their importation, manufacture and sale. Chapter IV covers the documentation which must be obtained by those dealing legally in narcotics under the title—Registry and Certificates. Prohibited acts are covered in Chapter V and other chapters deal with pertinent regulations to further the main objective of the law. Chapter VIII provides criminal sanctions which vary according to the status of the users and dealers.

ECUADOR

This report covers the period July 20-November 20, 1975, during which a slow-up in statutory activity was clearly evident. Nevertheless, a number of Supreme Decrees (D.S.) were promulgated and activity in the international area continued the pace established in prior reporting periods.

D.S. 606 promulgated the *Ley Orgánica de Hacienda*; D.S. 611 modified the Jurisdictional Law in contentious administrative proceedings, and D.S. 677 proclaimed August 9 as National Culture Day.

In the area of business related activities the following are noted: D.S. 734 modified the Small Business and Crafts Laws; D.S. 736 amended the Monetary Regime Law; D.S. 737 modified the basic law relating to the *Comisión de Valores — Corporación Financiera Nacional*; Monetary Resolution 776 provided that all national and foreign-owned banking institutions established after June 6, 1975 had to invest 20% to 25% of their commercial portfolios in development bonds; D.S. 788 established the

Foreign Investment Council; D.S. 924-A modified the Organic Law of the National Development Bank. Additionally, RO 898 of September 26 codified the Law of Checks.

In the tax area the following were reported: D.S. 735 amended the system for the collection of taxes on the exportation of national products; D.C. 824 exempted some pharmaceutical products, not manufactured nationally, from certain import taxes; D.S. 852 amended the income tax law; and D.S. 859 exempted petroleum workers in the eastern region from the payment of income taxes.

D.S. 787 established the Inter-American Center of Crafts and Popular Arts, and D.S. 930 created the National Educational Training and Improvement Center.

A Newspaperman's Law was promulgated under D.S. 799-B.

D.S. 840 extended the effectiveness of Decrees 1001 (1970) and 918 (1971). The former deals with provisional labor systems; the latter affects the Agrarian Procedures Law.

Internationally, the following bilateral agreements are noted: (1) A commercial agreement with China; (2) a cultural cooperation convention with Spain; (3) understandings with Canada and Venezuela on the subject of amateur radio communications; (4) a cooperative technical, industrial and agricultural agreement with the Belgian-Luxembourg Economic Union; (5) an agreement with the United States relating to satellites and space vehicles; and (6) an agreement with Peru regarding elimination of duties on plastic suitcases and other products. Additionally, Ecuador ratified the multilateral convention which established the Latin American Fiscal Sciences Institute and the Charter thereof, plus the Vienna convention on the Relation of States with International Organizations. The following was also approved: an International Convention for a Course on Regional Integration. Lastly, Ecuador approved all but one of the six conventions approved at the Inter-American Specialized Conference in Private International Law (CIOIP) held at Panama in January, 1975. Specifically the following conventions were approved: (1) Conflict of Laws Concerning Bills of Exchange, Promissory Notes and Invoices, (2) Conflict of Laws Concerning Checks, (3) Letters Rogatory, (4) Taking of Evidence Abroad, and (5) Legal Regime of Powers of Attorney to be Used Abroad. The Convention on International Commercial Arbitration was not approved with the others.

At the end of November 1975 the Legislative Commission submitted to the Chief of State the drafts of new Penal and Commercial Codes, as well as drafts of new codes on Civil Procedure and Labor Procedure.

EL SALVADOR

Decree 66 fixed the minimum wage scales applicable to the coffee, sugar and cotton harvests in 1975-1976.

Decree 317 modified Art. 2A of the Urban Housing Law (Decree 111, 1950) providing that the cost of housing referred to in the preceding article in the same law could not exceed 15,000 colones.

Decree 318 amended the Contract Law of the Urban Housing Institute by raising up to twelve per cent the interest rate the Institute may charge for housing constructed under its aegis; and Decree 319 modified the Expropriation Law of the Institute to provide a new procedure for the expropriation of immovables deemed necessary for the furtherance of the Institute's housing program.

Decree 367 promulgated the Telecommunications Service Law, to be administered by the National Administration of Telecommunications (ANTEL) which was created by Decree 370 (1963).

The Law of the *Agropecuario* Development Bank was modified by Decree 372.

Decree 373 established a National Institute of Pensions for Public Employees, to administer the pensions of public employees and to manage the funds contributed towards such pensions by the State and by the employees. Main objective of the new decree is to provide public employees at old age, death or invalidity with funds to assist them or their dependents to live out their remaining years in dignity.

National industries, subject to approval of Ministry of Economy, are exempt from all charges on imports of raw materials from nations outside the Central American Common Market area if the area can not provide adequate supplies (Decree Law 39).

GUATEMALA

The *Diario Oficial* (DO) of July 7, 1975 carried a Governmental *Acuerdo* regulating the operation of aircraft in public transportation, and Decree 52 approved the Charter of the Latin American Civil Aviation

Commission (CLAC). This document was ratified by the President of the Republic on August 5, 1975.

The regulations for Decree 40 (1974) dealing with the Cultivation of Basic Grains was promulgated in DO of July 16, 1975. DO of July 22 again deals with basic grains and specifies the circumstances under which these grains may be warehoused.

The ratification of the Protocol modifying the Second Protocol to the Central American Fiscal Incentives for Industrial Development is found in DO of July 25, 1975.

Decree 51 approved modifications to the Constitutive Agreement of the Inter-American Development Bank; Decree 53 approved additional technical assistance to Guatemala by the International Atomic Energy Organization; and Decree 62 approved a cultural, scientific and technical agreement with France.

Decree 69 modifies the exit tax for nationals and foreigners leaving Guatemala.

DO of October 23, 1975 carried the regulations for the Law on Technical Reserves for Insurance Companies; subsequent modifications appeared in DO of October 29.

The Aviculture Law was regulated by a Governmental *Acuerdo* appearing in DO of November 3, 1975.

On November 5, 1975 a bill on the subject of pornography was referred to the appropriate legislative committee. The proposed legislation, which contemplates "prior censorship of offensive material," has met with opposition on constitutional grounds.

In December, 1975, under the classification of "Public Order Law," the Congress of Guatemala approved a law on petroleum control establishing at 55% the State's share of the profits obtained from oil exploitation operations in the country. The law consists of twenty-four articles and establishes employment regulations to be observed by firms engaged in the exploration and subsequent exploitation of oil fields; a labor code between contractors and local workers; compensation payments to landowners, and other related matters. Because of its nature as a Public Order Law, it may not be amended except by a majority vote of Congress, it may be applied more forcefully under special circumstances, and above all, violations thereof carry special penalties and sanctions.

HONDURAS

Decree 270 (1975) created the Honduran Banana Corporation to promote the banana industry and to establish and implement the nation's banana policy. The Corporation will be under the charge of a Board of Directors composed of (1) five representatives from the State, (2) two representatives from the banana workers and a representative each from (3) the independent producers and (4) the banana cooperatives.

On October 23, 1975 the Government ordered the expropriation of banana lands held by Tela Railroad, a subsidiary of United Brands, as well as lands operated by Standard Fruit. At the time, the Government announced that the expropriations were in response to demands by peasant organizations for more land.

A major issue now before the Honduran people is the Law of Agrarian Reform which, according to a Government spokesman, aims at bringing justice to the rural population of the country. Fact-finding studies carried out throughout the Republic have revealed that the average annual income of the Honduran peasant is 80 *lempiras* or US \$40 yearly; hence, the serious problem of undernourishment and deficient supplementary diet which, in turn, results in labor inefficiency, disease, a high mortality rate among children, and the high rate of illiteracy (75%) existing in the rural areas. In contrast, the average annual income of the Honduran farmer with land holdings of 250 *manzanas* (approximately 438 acres) amounts to 21,600 *lempiras* or US \$10,800 per year. Further, of a total of 135,000 peasant families in Honduras, or 40% of the rural population, only 12% work their own land. On the other hand, 800 landowning families, or 0.3% of the population, occupy 27.4% of the rural areas of Honduras. The Law of Agrarian Reform seeks to correct such abnormalities and to raise the standard of living of the Honduran peasant to a level where he can live with dignity and become a useful and productive member of the Honduran society.

MEXICO

The decree which created the *Banco Agropecuario* was amended by decree in *Diario Oficial* (D.O.) of July 7.

An *Acuerdo* in D.O. of 9 July established the Coordinating Commission for Industrial Policy in the public sector.

The Worker's Popular Editorial and the National Council to Promote Culture and Recreation Among Workers were established by two decrees in D.O. of July 10.

National economic censuses for 1976 were declared a matter of public interest per decree in D.O. of July 16, and D.O. of July 24 called upon certain governmental entities to assist the National Center of Technical Education meet its objectives.

Regulations pertaining to National Credit Institutions and National Auxiliary Credit Organizations were amended in a decree found in D.O. of July 22. Amendments are also found in D.O. of August 18 to the Regulation for the Prevention and Control of Atmospheric Pollution.

A series of decrees and regulations concerning the sugar cane industry are found in D.O. of October 27 and 28.

Within the context of Mexico's economic policy, agriculture has been given top priority, for both economic and social reasons. The short-term target is recuperation of national self-sufficiency in basic commodities to insure internal supplies and reduce dependency on provisions purchased abroad. In the long and medium terms, the policy forms part of a strategy aimed at correcting sectoral economic imbalance, improving income distribution, and fostering regional development. To attain these objectives, the National Agricultural Sector Coordinating Commission, among other entities, was created by presidential decree on July 9, 1975. The functions attributed by decree to the Commission are as follows: to integrate and harmonize the programs of agricultural sector organizations; establish the machinery for coordination and operation of state commissions established in the same decree; analyze and assess the agricultural and forestry investment programs submitted by the respective ministries and organizations, and prepare studies on agricultural and forestry sector achievements and prospects. Local commissions will be set up in each state and headed by the respective Governor. The plans and programs prepared in coordination with the National Commission's ministries and organizations will be the basis for short, medium and long-term state agricultural and forestry development programs and for a national agricultural and forestry development program to continue the 1973-1974 Farm Plan. The National Agricultural Sector Coordinating Commission is part of a broader process by which strategies to deal with sectoral development have been fortified. On July 6, 1975, the President created the National Rural Credit Bank—which absorbs the National Agricultural Bank and regional agricultural and farm banks operating throughout the country

—for the purpose of consolidating the national agricultural credit system and making better use of the ever larger financial resources channeled into primary activities. Additionally, the National Food-Grain Production Company was set up to make more efficient use of productive resources for fulfillment of the target of national self-sufficiency in basic food commodities.

In early October, 1975 the President submitted a bill to the Congress that will extend Mexico's jurisdiction offshore from 12 to 200 miles and close off the Gulf of California. The measure requires a constitutional amendment and restricts foreign exploitations of fishing grounds or any other natural resource within the 200-mile zone. Unlike other major Latin American nations, Mexico did not claim territorial rights over the area. Free passage of vessels, submarines, aircraft and underwater cables will therefore not be affected. The Mexican claim is expected to affect fishermen from the United States, Japan and Cuba who traditionally fish for shrimp and tuna along Mexico's 6,250-mile coast. Mexico announced, however, that it would sell commercial fishing licenses for species which it is unable to harvest itself.

An extradition bill was also sent by the President to the Congress in November. The proposed measure excludes from extradition Mexican nationals, except for most unusual cases. The presidential action was accompanied by a statement from the Foreign Minister to the effect that one of the fundamental preoccupations within the extradition process must be to have a respectful cooperation between the spheres and jurisdiction of the judicial and executive powers in order to grant the interested party the guarantees provided by the constitution.

Amendments to Mexico's Mining Law have been submitted to the Congress. The modifications seek broader participation by the government in the industry.

Internationally the following actions are noted in the bilateral area: An agreement with Brazil on Tourism Cooperation; commercial agreements with China and the German Democratic Republic; two agreements with Venezuela (1) an air transport agreement, and (2) a motion picture agreement; an air transport agreement with Belgium; termination of an agreement with the U.S. in cotton textiles. Multilaterally the following are noted: Promulgation of (1) Convention to Prevent and Sanction Acts of Terrorism (Washington, 1971); (2) Convention establishing the World's Intellectual Property Organization (Stockholm, 1967); (3) Charter of Latin American Civil Aviation Commission (Mexico, 1973); (4) Conven-

tion for the Prevention of the Pollution of the Seas (Mexico, London, Moscow and Washington, 1972); Convention for the Repression of Illegal Acts Against the Security of Civil Aviation (Montreal, 1971); (6) International Sugar Agreement (U.N., 1973); and (7) Regional Convention for Recognition of Studies, Titles and Diplomas of Higher Education in Latin America and the Caribbean (Mexico, 1974).

Additionally, in the international area, other significant steps were taken. Specifically, on July 15, 1975 Mexico signed an agreement with the European Economic Community. (*7 Law Am.* 672, 1975). Unlike those concluded by the EEC with other Latin American countries, the agreement with Mexico contains economic cooperation provisions, surpassing the purely commercial field. According to the terms of the arrangement, Mexico and EEC member countries—Federal Germany, Belgium, Denmark, France, Holland, Ireland, Italy, Luxemburg and Great Britain—agree to grant each other most-favored-nation treatment. It is further provided that a joint commission shall be set up to oversee the agreement's proper application and functioning, and recommend suitable mechanisms to promote economic and commercial cooperation. Moreover, efforts have been made in recent years to create stronger ties of cooperation with the Socialist nations. The result was an agreement signed in Moscow on August 14, 1975 with the Council for Economic Mutual Assistance to foster economic, scientific and technical cooperation with CEMA countries—Bulgaria, Cuba, Czechoslovakia, Hungary, Mongolia, Poland, German Democratic Republic, Rumania and the Union of Soviet Socialist Republics. The Agreement provides for the establishment of a joint commission to study specific areas of cooperation. It should be noted that Mexico is the first non-Socialist country of Latin America to sign an agreement of this kind with CEMA.

NICARAGUA

Nicaragua entered into a technical assistance agreement with the OAS in December, 1975 for the implementation of a program for the development of the Pacific zone, seriously damaged by the 1972 earthquake.

Late in 1975 Nicaragua reaffirmed its sovereignty over the islets of QUITA SUENO, RONCADOR and SERRANA. The origin of this action lies in a 1972 treaty between the United States and Colombia under which the former renounced any claim of sovereignty over the islets which Nicaragua claims as part of its continental shelf. The treaty provides that

citizens of both countries (Colombia and the U.S.) will have fishing rights in the zone in dispute. Nicaragua's position is that the United States can not cede to another country territory over which it has no sovereignty, and thus is prepared, if necessary, to refer the case to an international tribunal. The U.S.-Colombian treaty has been ratified by Colombia and has been submitted to the U.S. Senate for advice and consent.

PANAMA

The differences between the United States and Panama concerning a new Canal Zone treaty continue to occupy the most prominent position in the relations between the two countries. Given the inter-American ramifications of the matter and the potential for a deep seated cleavage between the United States and Panama, the views of both parties at the end of 1975 is in order.

Continued delay in negotiations between the United States and Panama on a new Panama Canal treaty may lead to loss of faith in the United States by Latin American countries, a possibility of violent reaction in Panama and damage to the interests which the United States is seeking to protect. These sentiments were expressed by the chief U.S. negotiator, Ellsworth Bunker, in a speech in Los Angeles on December 2, 1975.

In attempting to placate fears and dispel some of the "myths" held by Americans concerning the new canal treaty, Ambassador Bunker broke precedent and discussed the present status of the negotiations. The Ambassador indicated that agreement in principle has been reached on the subjects of jurisdiction, canal operations and canal defense as contained in the statement of principles signed by Secretary of State Kissinger and Foreign Minister Tack in 1974. Still to be resolved are problems concerning the duration of the new treaty (a fixed term of years), use by the United States of lands and waters of Panama, the extent of Panamanian participation in Canal Zone administration and operation, the question of canal expansion and the level of compensation to be received by Panama.

The present negotiations, in progress since the 1964 Canal Zone riots prompted President Johnson to commit the United States' to negotiation of a new treaty, have been slowed by each party's desire to obtain results compatible with their basic positions. The United States objective of assuring that the canal will remain operational, secure, efficient and open on a non-discriminatory basis must be coordinated with the position of Panama. Panama feels the existing treaty impedes Panama's development

by dividing the nation in two, curbing the growth of urban areas by holding large amounts of area which are vital for Panama's development and preventing competition by Panamanian commercial firms within the zone. From an international viewpoint, Panama feels the Canal Zone infringes upon its national sovereignty and dignity because the United States runs a separate government in the Zone, based upon U.S. law and without reference to the Government of Panama.

In attempting to compromise, delay arising from political problems in the United States has aggravated the situation. Despite the commitment of the President and State Department to a new agreement, opponents of the canal treaty have remained strong. However, treaty opponents in the House of Representatives suffered a setback in October when a bill denying negotiating funds for the new treaty was defeated.

Both the United States and Panama appear to be resigned to the idea that no concrete results can be obtained until after the 1976 U.S. elections. While Panama may be inclined to wait for a period of time in deference to U.S. politics, it continues to plan for the possibility of further increasing international pressure upon the United States. If the U.S. response to the negotiations is not rapid enough, Panama appears to be ready to again bring the issue before the United Nations Security Council during the two year term (beginning January 1, 1976) when it assumes the Latin American seat on the council. Obviously, it would be in the best interests of both parties to find a solution before that contingency takes place.

The National Legislative Council of Panama has approved a package of eight laws tending to speed up economic development in all sectors and levels: (1) law establishing agricultural and cattle breeding insurance and an Institute to evaluate claims on crop or production losses; (2) law creating an Institute of Agriculture and Cattle Marketing (*Instituto de Mercadeo Agropecuario*); (3) law creating the National Financial Corporation (COFINA), to give assistance to all activities and businesses considered to have priority in the economic development of the country; (4) law creating an unemployment fund for construction workers; (5) law increasing to ten years the real estate tax exemption on all construction work carried out during 1976 and up to April 1977; (6) (7) (8) laws for the improvement of the country's transportation system and for the development of tourism.

The Government of Panama is presently negotiating with the Inter-American Development Bank and the World Bank to finance an ambitious

program of integrated rural development to be carried out in the poorest and most remote regions of the country. The program's goal which, according to the Government, is "to improve the distribution of wealth, encourage the rate of growth of the economy and achieve a higher production level," seeks, among others, to bring the following services to the regions in question: infrastructure, access routes, agricultural and cattle breeding associations and marketing facilities. Moreover, the Government claims the program would benefit some 75,000 Panamanian citizens by increasing their present annual income from \$200 to \$1,500 in the four-year period of its application.

PERU

Decree Law No. 21208 declared the right to equal minimum compensation for both men and women.

A law has been passed (Decree Law 21221) establishing norms for the expropriating procedures governed by Law 9125. This law seeks to give judges, and not state-appointed appraisers, the ultimate authority to determine the value of the expropriated property.

The Government has expropriated the mining and metalurgical complex operated in Peru by the Marcona Mining Company, a U.S. based corporation. In Decree Law No. 21228 the Government cited serious breaches of the company's contractual obligations, failure to abide by universally accepted mining practices and the repatriation of profits with a consequent decline in the country's foreign exchange as reasons for the confiscatory decree. All contracts entered into by the company as of the date of the decree were declared null and void and all accounts receivable existing in favor of Marcona Mining Company were held to be payable to the state-owned company Hierro-Peru which will henceforth operate the property.

By Decree Law 21234 Peru has given its approval to an agreement for the establishment of an Association of Iron Exporting Countries.

The Government has approved an agreement for the acquisition by the State, of the stock of *Empresas Eléctricas Asociadas* and of *Empresas Hidroeléctricas Asociadas Andinas* in the hands of foreign investors. ELECTROPERU will assume ownership of the acquired stock (Decree Law 21239), and pursuant to Decree Law 21256 ELECTROPERU will acquire all the stock of *Compañía de Servicios Eléctricos, S.A.* in the hands of foreign investors.

The National Supervisory Commission of Securities passed a resolution (063-75-EF/94.10) exempting from registration public offerings of stock when the same is limited to no more than ten persons, whether natural or legal. It also exempts offerings of more than ten persons when all of the offerees are linked to the issuing company either as directors, stockholders or employees.

Decree Law 21260 implements the modifications recommended by the Commission of the Cartagena Agreement in the nomenclature of the common external tariff.

A Supreme Resolution (No. 0081-75-PM/ONAJ) provides for the establishment of a commission for the purpose of analyzing the stipulations of the Board of the Cartagena Agreement with respect to the common external tariff, and Decree Law 21257 simplifies the procedures approved in Decision 57 of the Cartagena Agreement relating to the gradual elimination of tariff barriers.

Supreme Resolution No. 156-75 Co/CE suspended as of July 15, 1975 any further inscriptions in the Registry of Importers to allow for its restructure.

The Ministry of Industry and Tourism has issued directives on the treatment of foreign investment and regarding agreements for technical assistance in the area of tourism. The resolution was passed in order to fill the gap created by the refusal of member countries to include tourism within the norms of the Common Regime on the Treatment of Foreign Capital of Decision 24. (Resolution No. 870-75 IT/DS)

The Ministry of Economics and Finance in June, 1975 dictated norms for the ingress and egress of domestic exchange at the Ecuatorian frontier.

In November, 1975 the Government established a Judicial Reform Commission to improve and make effective the administration of justice. The Commission, headed by the President of the Supreme Court, will review legislation and recommend suggested changes so as to adapt the administration of justice to existing Peruvian social-juridical realities.

Also in November, 1975 the Government submitted to public debate a project dividing the country into eleven zones with the purpose of speeding up their social, economic and administrative development. Each zone will have its own regional development regime consisting of pertinent coordinating, consulting, advisory and management entities. The regional development groups will be under the aegis of a National Commission of Regional Development.

A government fund of two billion *soles* has been established to aid the ailing small and medium-sized mining companies in Peru. Loans will be granted for a term of no more than five years with interest no higher than six percent.

Internationally, the Ministry of Foreign Relations published the full text of the Convention on Technical and Scientific Cooperation between Peru and India; diplomatic notes were exchanged with the U.S. on air transport services; and diplomatic relations were established with Kuwait at the Embassy level.

UNITED STATES

The following bills having international ramifications have been enacted into public law: Public Law (PL) 94-104 authorizing fiscal 1976 appropriations for the Board for International Broadcasting; PL 94-130 amending the Peace Corps Act; and PL 94-131 carrying into effect certain provisions of the Patent Cooperation Treaty. The following bills affecting imports were enacted into public law: 94-76 (hopper cars); P.L. 94-88 amending the Tariff Schedules (watches); PL 94-89 amending the Tariff Schedules (zinc); PL 94-108 (dyeing and tanning materials); and PL 94-120 (graphite).

The following bills introduced in Fall, 1975 are noted: S 2329 to amend the Export-Import Bank Act of 1945 to limit financing for sales of nuclear materials and technology to states not parties to the Nuclear Non-Proliferation Treaty; S 2393 to amend tariff schedules (jewelry); S 2422 to amend the Merchant Marine Act, 1920, to provide that coast-wise laws shall extend to the Virgin Islands with respect to the transportation of crude oil, residual fuel oil, and refined petroleum products; S 2440 to amend the Agricultural Adjustment Act (1933) to subject imported tomatoes to restrictions comparable to domestic tomatoes; S 2492 to amend the Export Administration Act (1969) to subject agricultural export agreements to executive review; S 2598 to require labeling, minimum standards of sanitation, and inspection of imported meats and dairy products; S 2607 to amend the Trading With The Enemy Act to repeal the embargo on United States with North and South Vietnam; S 2643 to provide for the reduction of the U.S. contribution to the United Nations; S 2655 to reduce the dependence of the U.S. on insecure foreign energy supplies by controlling oil imports;

H9295 to amend the Immigration and Nationality Act to facilitate the entry of visitors into the U.S. during its Bicentennial anniversary; H 9260 to require prior approval of the Secretary of Agriculture for the export of certain grains; H 9460 to provide for the establishment of a constitution in the Virgin Islands; H 9475 to make the Trust Territory of the Pacific Islands eligible to participate in certain federal fisheries programs; H 9491 to provide for the establishment of a constitution for Guam; H 9562 relating to the settlement of debts owed the U.S. by foreign countries; H 9721 to provide for increased participation by the U.S. in the Inter-American Development Bank, for the entry of non-regional members and the Bahamas and Guyana in the Inter-American Development Bank, and for the participation of the U.S. in the African Development Fund; H 9957 to provide for the termination of all U.S. assistance to any country which fails to take adequate control of illegal trade in narcotics; H 10,034 to provide for the reduction of charges imposed on oil imports in proportion to OPEC price increases; H 10,083 to provide for the increase of capacity and the improvement of operations of the Panama Canal; H 10,110 to prohibit the export of grain to any petroleum producing country which has petroleum production in excess of its domestic requirements, except pursuant to an agreement providing for the exchange of such grain for petroleum; H 10,662 to amend the United Nations Participation Act (1945) to suspend U.S. participation in the U.N. General Assembly; H 10,667 to reduce payments to the U.N.; H 10,671 to amend immigration laws to permit more persons to immigrate from colonies of foreign states; H 10,831 to provide for duty-free treatment of softwood veneers; H 10,838 to promote peaceful resolution of international conflict; and H 10,882 to amend the Export Administration Act (1909) to strengthen the anti-boycott provisions of the Act.

Internationally, the United States ratified the following on October 28, 1975. Convention on the International Regulations for Preventing Collisions at Sea designed to revise existing regulations in light of technological developments and increased use of the seas; amendments to seven regulations of the International Convention for Safety of Life at Sea directed toward the improvement of safety requirements for the carriage of grain in bulk; Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons; Protocol for the continuation of the International Coffee Agreement through September 30, 1976; Agreement between U.S. and Brazil establishing a basis for regulating the conduct of shrimp fishing in a defined area off the coast of Brazil; and amendments to the Convention on the Intergovernmental Mari-

time Consultative Organization (IMCO) enlarging membership and insuring equitable geographical distribution and open participation in the Maritime Safety Committee.

The following, among others, entered into force: Agreement with Chile amending the agreement for sales of agricultural commodities (May 22); agreement relating to the limitation of imports from Guatemala of fresh, chilled or frozen meat (April 25); agreement with Honduras concerning payment to U.S. of net proceeds from sale of defense articles (May 15); agreement on limitations of meat imports from Panama (June 6); agreement with Colombia relating to trade in textile products (May 28); agreement with Jamaica amending agreement for sales of agricultural commodities (June 9); agreement with Costa Rica to curb production and traffic in illegal narcotics (June 2); agreement with Chile for sales of agricultural commodities (July 31); agreement relating to the limitation of meat imports from the Dominican Republic (June 6); agreement with Canada re a seismograph station (August 13); agreement relating to assignment and use of television channels along U.S.-Mexican border (August 20); agreement relating to trade in textiles and market disruption caused by exports of textiles from Peru (September 10); agreement relating to a cooperative program for operation and maintenance of a rawinsonde station in Barbados (October 13); Memorandum of Understanding concerning access by a Chilean ground station to data generated by NASA satellites (September 8); agreement with Mexico concerning frequency modulation broadcasting in a specified band (August 21); agreement with Mexico to indemnify and safeguard the U.S. Government, its personnel, and contractors for liability arising out of aircraft operations training in support of the cooperative program to curb illegal narcotics traffic (September 12).

Additionally, the United States took the following actions with respect to treaties: Signed an agreement establishing a financial support fund in the Organization for Economic Cooperation and Development (April 9); signed a Memorandum of Understanding concerning cooperative information exchange relating to development of solar heating and cooling systems in buildings (May 30); notified of provisional application to apply protocol for the continuation in force of the international coffee agreement of 1968 (September 30); signed protocols Nos. 3 and 4 to amend the Warsaw Convention (Warsaw, 1929) on September 25.

A group of U.S. senators seeks to block a move by the Administration to grant the status of an American Commonwealth to the Northern Marianas, alleging their concern over the United States assuming military

and welfare expenditures and the possible emergence of legal problems at the United Nations. The group also wants the Administration to spell out the United States relationship with the island groups of the Carolines and the Marshals. The Senate Foreign Relations and Armed Services Committees were requested to submit a joint report on the subject, to the full Senate, by January 27, 1976. As confirmation of future difficulties within the United Nations, the International League for the Rights of Man — an organization of Americans and Europeans dedicated to the protection of human rights — which has United Nations consultative status, has already filed a complaint with that organization, charging that the United States was violating its strategic trusteeship for Micronesia by seeking to annex the Northern Mariana Islands area. A spokesman for the League claimed that separation would make it “difficult, if not impossible for the other groups to survive as a unit.”

The draft of the proposed new charter for the Organization of American States submitted by an OAS charter reform committee drew sharp criticism from the United States. The U.S. Ambassador to the OAS, alleged that the current approach to charter reform “centered as it has been on abstract doctrine and frequently unworkable legal obligations, has done nothing to remedy the problem.” Further, that “the revision of texts does not solve the central problem of infusing our organization with dynamism and relevance.” The U.S. position drew a negative reaction from the Latin American countries, which maintained a solid front to reject the amendments proposed by the United States.

URUGUAY

Law 14.411 created a national Registry of Construction and substantially increased the protection of workers in this industry, including the imposition of liens on improved property which can not be released without clearance from the Registry. Overall thrust of the new law is to improve the social and pension benefits of construction workers.

Law 14.412 deals with checks, dividing them into two designations: “common” and “deferred payment”, the latter being post dated checks, but with funds to cover same on the date of presentation. The new law which contains seventy five articles repeals prior laws on the subject.

Decree 545/975 of the Ministry of Labor and Social Security is a compilation of the labor laws governing domestic workers.

On November 29, the Government decreed a general increase of twenty-two percent in the salaries of the public and private sectors. Concurrently, the Government also decreed a seven percent increase on duties applicable to "non-essential importations."

VENEZUELA

Decree 1.763 deals, inter alia, with the insurance industry. Specifically to promote domestic investments in the Insurance and Reinsurance fields, contracts in those fields executed outside Venezuela will not be effective in the country if they insure:

1. Individuals who, at the time the contract was entered into, were domiciliaries of Venezuela, or
2. property located within the national territory, or
3. ships, aircraft, or other vehicles registered in Venezuela, unless the corresponding premium is the real and actual income of a domestic company complying with the various statutory requirements.

Nationalization of foreign enterprises was implemented by regulations appearing in *Gaceta Oficial* (G.O.) 30.774. The Superintendency of Foreign Investments shall dictate the conditions which will govern a transition, but the following criteria are provided by statute:

1. Amount of shares of stock distributed among domestic investors.
2. The right of the corporation's employees to participate in the process of transformation.
3. Actual participation of unions, professional, technical, or similar organizations, in the process of transformation.
4. The number of *new* domestic shareholders.
5. Convenience in the public sale of shares of stock, preferably in accordance with the guidelines promulgated by the *Ley de Mercado de Capitales*.

A Presidential decree provides that corporate information must be registered with the National Registry of Valuables (G.O. 30.776), and

the National Commission of Securities has set forth the conditions for withdrawal of shares of stock or other corporate assets from public offer (G.O. 30.760).

A Presidential decree (No. 1.770) established the Venezuelan Oil Company to plan, coordinate, and supervise the entities nationalized under the oil nationalization plan (G.O. 1769); and on January, 1976 the nationalization of the oil industry was made effective. The official taking over of the industry was memorialized by raising the Venezuelan flag and unveiling a plaque at a location first drilled in 1914.

Incentives in the form of tax-exempt income were used to promote agricultural and cattle investments. Banks and other credit institutions' profits derived from loans to individual farmers and ranchers, and used to acquire equipment, or machinery for such enterprises, are exempt from income tax (G.O. 30.815). Likewise, profits derived from loans used to finance the purchase of live animals for reproduction are exempt (G.O. 30.842). Income derived from the agriculture, cattle, or fishing industry is exempt from income tax, if such income finances investments in the same industries or in areas approved by the Ministry of Treasury or Ministry of Agriculture and Growth (G.O. 30.814). Tax exempt income from imports or exports is also included if 50% of the total kilograms or units of the merchandise is transported by Venezuelan companies (G.O. 30.768). However, the July, 1975 temporary suspension of tax collection on Venezuelan airlines (AVENSA, VIASA, and LAV) has been revoked (G.O. 30.778).

To encourage the building of additional medical facilities, the Venezuelan Institute of Social Security may finance construction of both medical and administrative structures designed for the use of the Institute (G.O. 30.785). The Ministry of Public Works has established the specific contents of construction contracts for such projects (G.O. 30.785), and of other documents that must accompany a contract (G.O. 30.786).

A national fund for urban development has been established (G.O. 30.790).

The Ministry of Development is charged with directing the planned growth of the naval and nuclear industries (G.O. 30.774).

In the Consumer Protection area, Venezuela has passed regulatory legislation to implement its 1974 Consumer Law. Effective January 1, 1976, the manufacture, import, and assembly of component parts, and sale of automobiles will be regulated (G.O. 1.772). An express warranty

of merchantability shall accompany all vehicles sold in Venezuela. The Ministry of Mines and Hydrocarbons has fixed a ceiling on motor oil and transmission fluids sold in the country (G.O. 30.758). Effective March 1, 1976, consumer goods must conspicuously show on the packaging the maximum sales price to the final consumer (G.O. 30.834). Retail sales price of shoes has been fixed and retailers must exhibit the list of prices to customers (G.O. 30.832). A Ceiling Retail Price on automobiles has been set (G.O. 30.830) with an interest ceiling of 12% yearly on the unpaid balance plus 6% yearly for credit services. A truth-in-lending statement must be a part of the sales contract. The maximum price on farm equipment has also been fixed (G.O. 30.831).

A Central Office of Information has been established to inform the public on governmental actions (G.O. 30.777).

Savings and Loans entities were regulated by amendment to a prior statute, setting a new interest ceiling on home mortgages and raising the prior ceiling on the amount loaned on homes and their improvements (Decree 1.764).

Weights and Measures of 1) scientific, technical, or industrial instruments, and 2) packed or canned products manufactured or sold in the country were regulated per Decree 1.771. Milk and its derivative products must be sold in their original containers and with a label stating an expiration date for safe consumption (G.O. 30.804). All phases of cosmetic production are subject to inspection by the Ministry of Health and Social Assistance (G.O. 30.785) and each cosmetics company must employ a licensed pharmacist specialized in that field or a college graduate with credits in physics and chemistry. Suspension of advertising is the sanction for false or ambiguous publicity misrepresenting the product.

The unauthorized practice of journalism is prohibited. To be a licensed journalist an individual must either:

1. Obtain a journalism degree from a institution of higher learning;
2. revalidate a foreign degree;
3. have practiced journalism professionally for ten years;
4. have practiced journalism continuously during the immediate three years prior to the promulgation of the statute; or
5. have been a member of a professional organization in the twenty years prior to the statute.

Foreign correspondents are exempt from the statutory requirements but are prohibited from seeking employment with the domestic media (G.O. 30.764).

The unauthorized practice of medicine is further defined and medical doctors are required to intern for one year in a rural area before they are eligible to practice in cities with a population of 5,000 or more (G.O. 30.766).

Increased interest in rehabilitation of convicts and prison reform were evident in 1975. Force is only allowed to avoid or repel the inmates' own acts of violence. Voluntary religious and moral instruction is encouraged. Prisoners are to be formally informed of their legal rights and obligations while confined. Special treatment for native Indian prisoners, in order to cope with cultural differences, is provided (G.O. 30.784). Education for the inmates as well as a library in each institution is required. Specific work allowed and the distribution of income received has been defined (G.O. 30.816).

Effective January 1, 1976, television and radio commercials may not exceed fifteen (15) continuous minutes for each one hour of air time and will be distributed in four groups during that hour.

Internationally, Venezuela has, among other actions, approved the Nuclear Non-Proliferation Treaty and the 1973 Anti-Drug Agreement of the South American Conference (Decree 1.761); established, with Bolivia, jointly owned and controlled telegraph circuits between both countries (G.O. 30.767); and approved the 1974 amendments to the Geneva Agreement (1948) of the Intergovernmental Maritime Organization (G.O. 30.768).

A decision of the Supreme Electoral Congress to the effect that a call for parliamentary elections in the State of Anzoategui was not in order because the State lacked adequate representation before the Legislative Chambers as a result of the death of the head of the State's delegation, prompted the President of the Republic to announce the Government's intention to submit to the National Congress a revision of the present Electoral Law.

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 recommended.