

2-1-1972

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## Recommended Citation

S. A. Bayitch, *Inter-American Legal Developments*, 4 U. Miami Inter-Am. L. Rev. 57 (1972)

Available at: <http://repository.law.miami.edu/umialr/vol4/iss1/6>

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## INTER-AMERICAN LEGAL DEVELOPMENTS

S. A. BAYITCH

*Professor of Law Emeritus  
University of Miami*

### ARGENTINA

The structure of the central administration (3 *Law. Am.* 507, 1971) has again been changed. The Ministry of Labor has lost industry, which joined the Ministry of Industry, Commerce and Mining (Law No. 19.064, 1971). Most recently, this Ministry was split into two: Ministry of Commerce and Ministry of Industry and Mining. Consequently, twelve ministries presently constitute the central administration. A subsequent law (No. 19.103, 1971) has defined the functions of the commanders of the armed services and the ministers; these functions may be exercised either as members of the National Cabinet, as members of national councils of development, security and of science and techniques, and finally as heads of their respective ministries (art. 4). The same law also determined the competence of the Ministry of Social Welfare and the Ministry of Public Works and Services.

The law regarding political parties (No. 19.102, 3 *Law. Am.* 507, 1971) has been implemented by a regulation (Decree No. 2.180, 1971). An additional law (No. 19.109, 1971) decreed the restitution of property to political parties existing on June 28, 1966.

A new department has been created (Law No. 19.108, 1971) in the National Appellate Court in federal and contentious administrative matters sitting in the capital, namely the *sala electoral* consisting of three judges charged with supervising the national voters' register, register of party members, issuing directives regarding related matters and setting up a body of inspectors (*auditores*) to control the financial affairs of political parties. In addition, in lower federal courts election bureaus a (*secretaria electoral*) will be set up (art. II); judges attached to these courts will adjudicate matters related to elections as well as political parties (art. 12).

A new nation-wide court was established by Law No. 19.053 (1971), the *Cámara Federal en lo Penal de la Nación*, to act as final instance (*instancia única*) in criminal matters federal in nature committed in the Republic which affect the fundamental principles of the constitutional order by violent disruption of the constitutional system and thus endanger vital national interests. Since individual federal courts acting presently in such matters cannot cope with vast criminal organizations engaged in such destructive activities, the new court will face its task with modified and adjusted proceedings and without sacrificing traditional principles of justice. These include jurisdiction in criminal cases involving a number of crimes listed in the Criminal Code and Code of Military Justice (art. 3). Moreover, the court will exercise jurisdiction over crimes committed in areas subject, because of emergency, to federal authority; committed against establishments or installations of public utility; interfere with international or interprovincial means of communication; obstruct national authorities in the performance of their duties or are designed to provoke uprisings or resistance, particularly in connection with strikes or other violent movements against national security; constitute prohibited communist activities under Law No. 17.401 (1967, 1 (3) *Law. Am.* 61, 1969); result in killing or wounding of members of the army or police in the performance of their duties, even provincial police whenever they act under federal authority (art. 3), provided that all such acts are punishable under the Criminal Code or its supplementary laws (art. 4). The law also provides for procedure (art. 21 to 70).

The new law on adoption (No. 19.134, 1971) has brought about considerable changes in the adoption procedure introduced in 1948 (Law No. 13.252). In essence, the new law provides that only minors may be adopted by judicial decree (art. 1). The adopter must be an individual person, except in case of married couples; must be at least 18 years older than the adoptee (art. 2) and more than 35 years (reduced from 40) of age, except in case of couples married for more than five years (reduced from the previously required 8 years). The existence of adopters' own children does not prevent adoption under the new law; however, where the prospective adopter has already more than one legitimate or one adopted child, adoption will be granted only exceptionally (art. 4). Married persons may adopt only with the consent of the other spouse (art. 7). A new type of adoption was introduced, the full adoption (*adopción plena*) which confers on the adoptee the status of a legitimate child and extinguishes its relation to blood relatives, except in regard to marital impediments (art. 14). Only orphans, persons without ascertained parents or persons listed in art. 11, e.g. whose parents have

lost parental powers, and persons entrusted to public charitable or protective institutions, may be so adopted (art. 16). This kind of adoption is irrevocable (art. 18). The simple adoption (*adopción simple*) confers on the adoptee the status of a legitimate child but does not create relations with the adopter's family which otherwise arise from blood relationship (art. 20). Consequently, rights and obligations arising from blood relations with adoptee's own family are not extinguished, except the parental power (art. 22). Mutual rights of inheritance are regulated in art. 24 and 25 as are marital impediments arising from simple adoption (art. 26). This kind of adoption is revocable for reasons listed in art. 28. In case the adoption took place abroad, the status, rights and obligations between the parties are governed by the law of the domicile of the adoptee at the time of adoption (art. 32); such adoption may be converted into full adoption (art. 14), provided this status (*vínculo*) is acknowledged and parties (which must be of age) have consented (art. 33).

The Commercial Code was amended by laws No. 19.054 and 19.160 (1971). The former affects art. 157, already amended by Law No. 17.391 (1970), dealing with the indemnity due to employees because of dismissal. Law No. 19.060, designed to attract private capital into corporations, amended art. 354 of the Code by adding (art. 7) the provision that in corporations which offer their shares to the public or are qualified to have their shares quoted on stock exchanges, shareholders may not "exercise their right of withdrawal (from the corporation) in case of an increase of the capital or merger." Nevertheless they may exercise such right when the public offering of shares or the listing of shares on stock exchanges has ceased; any provision in the charter excluding the right of withdrawal or making its exercise more difficult is declared null (art. 7). Final decision to withdraw the public offerings or the listing implies the dissolution of the corporation, except that the general assembly, called to consider this particular item agenda, decides differently (art. 8). The law also deals with emissions of new shares (art. 1 to 6); voting rights (art. 9), and convertible bonds (art. 10 to 20).

Law No. 19.060 (1971) was immediately followed by Law No. 19.061 (1971) granting individuals, undivided decedent's estates and corporations a deduction up to 10% of the amounts used for purchases of securities (*acciones*).

Credits to national and provincial governmental agencies will be handled and approved by the Ministry of Treasury and Finance (Law No. 19.328, 1971) on the basis of a program for medium term financing.

Until regulations to implement law No. 19.151 (1971, 3 *Law. Am.* 510, 1971) are promulgated, foreign investment proposals will be treated

under provisions contained in decrees regulating industrial development (No. 5.339, 1963, 3113, 1964, 4271 and 6703, 1969).

Law No. 19.283, (1971) allows exceptions from the price freeze instituted under Law No. 19.230 (1971). Nevertheless, wage increases have been allowed by Law No. 19.220 (1971) and new minimum wages set.

The law regarding inspection of legal entities (No. 18.805, 3 *Law. Am.* 42, 1971) has been implemented by a regulation (Decree No. 2.293, 1971). It restates that the *Inspección* will supervise activities of corporations, civil associations (established under the Civil Code) and foundations, insofar as such powers are vested in the federal executive by the respective codes and supplementary enactments, in addition to those referred to in the basic law No. 18.805 of 1970 (art. 1). The *Inspección* may, among others, establish norms for accounting, evaluation, investments, financial reports and conduct of general assemblies; for plans of operations; and for the control of public announcements and offers. It also may request statements regarding activities and the submission of related documentation (art. 2), if necessary, with the aid of judicial and administrative authorities (art. 3). Supervised legal entities must designate their domicile (art. 7), and inform the *Inspección* regarding bankruptcy and the loss of 50% or more of their capital (art. 12). They also must file with the *Inspección* an application for approval of their formation (art. 13). Foreign legal entities which apply for recognition or have decided to establish subsidiaries or agencies in the Republic, will have to submit to the *Inspección* in the original language (a) the constitutive act; the charter and its changes; (b) proof that they have been properly authorized and inscribed in the country of origin; (c) the decision by their proper organ to apply for recognition or local establishment, indicating also powers vested in their representatives. This documentation must be authenticated in proper form and accompanied with a translation. Simultaneously with such application, local managers or representatives are required to supply their personal data and establish a domicile in accordance with art. 7. The documentation regarding changes of the charter, of the capital or cancellation of registration in the Republic must be submitted in the form required for the initial presentation (art. 14). The regulation also deals with entities registered under provincial law (art. 15) and gives the *Inspección* guidelines for handling applications (art. 16). Subsidiaries and agencies of foreign entities shall keep their accounting and documentation in the official language and conduct these activities within the Republic, independently from their parent organization. In case they cease their

activities, they must submit to the *Inspección* the "pertinent documentation," accompanied by the "names and personal data of their administrators or representatives" (art. 26). Special provisions apply to civil associations and foundations (art. 28 to 30). The *Inspección* may check on their assets and the number of their members; it also may ascertain whether the statutes contain restrictions on membership or enjoyment of rights by Argentine nationals or regarding naturalization of aliens (art. 28). Additional provisions (art. 31 to 37) deal with corporations and penalties (art. 38 to 44).

Law No. 19.063 (1971) approved the charter of the *Banco Nacional de Desarrollo*. Guaranteed by the state, the Bank will, among other things, participate in and finance with long, intermediate or short credits investments in basic economic operations (*obras de infraestructura*); in the establishment and development of basic industries; in the establishment, equipment and modernization of industrial enterprises, including mines; and in publicity as well as rehabilitation of enterprises (art. 2). Such aid will be available only to enterprises with domestic capital (art. 3).

Employers of personnel qualified for family allowances shall submit lists of such personnel with additional information (Law No. 19.057, 1971). An *Instituto Nacional de Servicios Sociales para Jubilados y Pensionados* has been established by Law No. 19.032 (1971).

Law No. 19.000 (1971) provides for aid to the fishing industry. It was implemented by a regulation (Decree No. 439, 1971), and followed by tax adjustments granted in Law No. 19.001 (1971), implemented by Decrees No. 441 and 442, and the establishment of national fish markets (Law No. 19.002, and Decree No. 443, 1971).

The executive has been authorized to enter into an agreement with the notarial organization of the capital (*Colegio de Escribanos de la Capital Federal*) to qualify the *Colegio* as the official agency in charge of notarial archives, a duty presently charged to the judiciary according to Law No. 17.779 (1971).

Recommendations of the *Consejo de Cooperación Aduanera* of December 5, 1953, have been adopted by Law No. 19.044 (1971).

The text of the law on social services (No. 18.960, 1971) has been republished with added amendments as Decree No. 2.020 (1971).

Social Services became available (Law No. 19.316) also to agricultural workers offering medical care at home and in hospitals, diagnostic services, dental care, etc., to be financed by contributions by employers

(4%) and workers (3%). Decree No. 4.714 (1971) regulated procedures for medical care offered to beneficiaries generally, including seasonal and temporary workers and even those suspended and dismissed. Withheld contributions must be forwarded to the Service within 15 days of each month.

The educational system based on Law No. 1.420, enacted in 1884, has been revitalized by redesigning the role of the *Consejo Nacional de Educación* (Law No. 19.161, 1971). The Council will be charged with the programming, regulation, coordination, investigation and supervision of pre-school and primary education, as provided by amendments to art. 52, 53 and 57 of Law No. 1.420.

In order to meet steadily increasing demands for electrical industry, the *Fondo Nacional de Grandes Obras Eléctricas* was established (Law No. 19.287, 1971). Financing will come from a 5% surcharge on electrical bills, charged to the final consumer; an equal surcharge on crude petroleum, and contributions from the National Power Fund and the National Electric Power Fund as well as from the State.

An extensive law dealing with the production and marketing of pharmaceuticals was enacted (Law No. 19.303, 1971), accompanied by four lists classifying them. The law was implemented by Decree No. 4.589 (1971). Particular provisions regulate import and export of such products (art. 4 to 8).

A convention was signed with Chile dealing with labor problems, particularly some 300,000 Chilean workers who emigrated to Argentina granting them, in general, equal treatment with own nationals, particularly in regard to social security benefits.

*The Comisión Coordinadora del Plan Político* (3 Law. Am. 507, 1971) has submitted to the President a draft for the constitutional reform dealing with the presidency, legislature and elections, with alternative suggestions. Among others the draft provides for direct or indirect election of the president for four or six years, in the former case with one reelection; it also proposes a multi-party system granting the majority 60% of the membership in the National Congress, and 30% and 10% to the first and second minority party, respectively.

Within the Ministry of Treasury and Finance a new Secretariat of Planning and Action was set up. The four undersecretaries heading CONADE (National Development Council), CONASE, (National Security Council), CONACYT (National Scientific & Technical Council) and the coordinating secretariat will join the new secretariat.

A National Register of License Agreements and Transfer of Technology was established by Law No. 19.231 (1971) within the Ministry of Industry, Commerce and Mining. The duty to register includes all acts by which entities located in Argentina make payments to foreign entities for the use of their trade-marks, patents, industrial models and designs, including technical know-how, engineering or even occasional consultation. The registration may be denied for reasons listed in the law, among them, if the act involves products produced locally; if it represents importation of technology already available in Argentina; if the price is not commensurate; if it requires that equipment or raw materials be purchased from other than domestic sources; if it requires that patents or technology developed in conjunction with the license be transferred to the licensor; if prices of products nationally produced under the license, are fixed; if jurisdiction by foreign courts is consented to; or if rights are granted amounting to a regulation of domestic production, marketing, investment or technological development. The amount of payments is to be determined by the profits derived from the licensed goods or services. In case the payment is agreed in a lump sum, the National Development Bank will have developed special credit lines, provided the purchasing enterprise's capital is domestic. Generally, the Central Bank will authorize payments abroad only if they are related to registered arrangements. In any case, non-registered arrangements have no legal validity. Violations result in the cancellation of the registration; in fines; in a disqualification of the guilty party from commercial or industrial activities up to two years; and in the loss of legal status.

The export-import situation and related currency and price regulation have generated considerable statutory activity. First of all, Decree No. 3.952 (1971) established a dual system of currency: financial and domestic. The former applies to international transfers of funds and enjoys a free market to be served by the Argentine Central Bank; the latter includes imports and exports and related services (freight, insurance, and commissions) and is handled according to Decree No. 3.256 (1971) on a fixed rate, namely five pesos for one American dollar. Issuance of internal and foreign bonds is covered under Laws No. 19.144 and 19.145, respectively (1971). Both are designed to secure revenues for the National Development and Security Plan 1971-1975. Internal bonds are bearer bonds, listed on the exchange with an interest rate of 8% payable semi-annually, to be amortized over seven years in fourteen consecutive installments. Bonds and income are exempt from taxation. External bonds also are bearer bonds with five years maturity issued in U.S. dollars in two series, with an interest 1.5% higher than the Eurodollar rate but no lower than 8%. These bonds are also tax exempt. Far reaching measures



have been undertaken in the area of foreign trade. Imports have been temporarily stopped (Law No. 19.242, 1971), due to an unfavorable balance of payments with exceptions allowed by Resolution No. 400 (1971), and Decree No. 4.022 (1971). Imports of luxury items has been stopped for a whole year (Decree No. 2.118, 1971). Exports are favored by a new system of tax benefits (Law No. 19.184, 1971), depending on the type of products as classified in Decree No. 3.255 (1971). Foreign investments have been affected by two enactments: the "Buy Argentine" Law (No. 18.875, 1971, 3 *Law. Am.* 274, 1971) and by the foreign investment law (No. 19.151, 1971, 3 *Law. Am.* 510, 1971). Finally, a price freeze has been imposed by Law No. 19.230 (1971) on the level of prices in effect on August 24, 1971, to last to the end of the year. Exemptions are granted under Law No. 19.283 (1971).

#### Buenos Aires

Optical enterprises are regulated by Decree No. 419 (1971).

#### Chaco

Decree No. 477 (1971) is directed against usury. A permanent register of economic activities was created by Decree No. 647 (1971).

#### Entre Rios

Decree No. 3.847 (1971) established auxiliary police to control public gatherings.

#### Formosa

Dental technicians are regulated by Decree No. 374 (1971); state suppliers by Decree No. 442 (1971).

#### Jujuy

A scholarship program was established by Decree No. 553 (1971).

#### La Pampa

Property registers are now regulated by Law No. 839 (1971).

### La Rioja

Land registers are organized according to Law No. 3.335 (1971).

### Mendoza

The Cooperatives Department was reorganized (Law No. 3.713, 1971).

## BARBADOS

Among others, the following laws have been enacted: the Representation of the People Act of 1971, with regulations (S.I. 1971, No. 89); the Medical Registration Act (1971-10); the Hotel Tax Act (1971-8); the Overseas Service Agreement Act (1971-19) and the Condominium Act of 1971 (No. 27). Amendments relate to the following acts: National Insurance and Social Security Act of 1967 (1971-1); the General Local Loan Act (1971-2); the Pensions Act of 1947 (1971-3); the Mortgage Insurance Act of 1962 (1971-4); the Motor Vehicle Insurance (Third Party Risks) Act of 1952 (1971-16) the Financial Administration and Audit Act of 1964 (1971-7), implemented by Financial Rules (S.I. 1971, No. 46); the Citizenship Act of 1967 (1971-31); the National Assistance Act of 1969 (1971-30); the Law of Property Act (1971-28); the Prisons Act of 1961 (1971-18); and the Post Office Act of 1911 (1971-20).

A number of price-control regulations have been promulgated.

The National Insurance and Social Security Act of 1967, providing for sickness, old age, and accident benefits, is being discussed with an eye on improving benefits, particularly by extending them to include unemployment.

A new law to grant severance pay to workers who lose their jobs because of natural disasters was opposed by employers; nevertheless, it was adopted as the Severance Payments Act (No. 24, 1971) and will be summarized in the next issue. An amendment to the Hire-Purchase Act of 1959 is before the Legislature.

## BRAZIL

The statute regarding political parties (Law No. 5.682, 1971) consolidated the existing legislation regarding establishment and activities by political parties. It prohibits membership to persons whose political rights

have been cancelled; however, persons deprived only of their seats in legislative bodies may rejoin parties.

The National Superintendency of Supplies (SUNAB) ruled that domestically produced wheat should be acquired by the Government through *Banco do Brasil, S.A.* at fixed prices.

The acquisition of agricultural land by aliens is regulated by Law No. 5.709 (1971) which applies also to Brazilian legal entities with foreign participation, individual or corporate. Immigrants are allowed to execute options in their country of origin, subject to their settling in Brazil within three months from the date of the option.

Art. 369 of the Consolidated Labor was amended by Law No. 5.683 (1971) requiring that at least two thirds of a ship's crew be of Brazilian nationality, except domestic fishing boats subject to particular legislation.

Recruiting of Brazilian workers for work abroad may be carried out only through employment offices registered with the National Labor Department (Order No. 3. 327, 1971).

A decree-law signed by the President is designed to give incentive to corporate activities. It provides inter alia, that fixed corporate assets may be revaluated up to their market value, also in cases of mergers (art. 1), and a Commission of Mergers and Corporate Incorporations (COFIE) which has been set up within the Ministry of Finance to supervise action under the decree (art. 2). The higher capital achieved under art. 1 may be the basis for an increase in corporate capital without being subject to taxation. The benefit accrues also to partners, beneficiaries, individual or corporate. Private financial institutions may, according to Law No. 5.710 (1971) and rules to be promulgated by the National Monetary Council, issue up to 50% of their corporate stock in preferred shares, both bearer or nominative, without voting rights and without being subject to art. 81 of Decree-Law No. 2627 (1940). The same rule applies to insurance companies. Another Presidential Decree (No. 1.173, 1971) amends legislation regarding reserves for the maintaining of a workable capital.

Decree No. 68.920 (1971) has implemented provisions contained in Chapter III of Title IV of the Air Code (1966) dealing with safety zones around airports. The Minister of Aeronautics is authorized (Decree No. 69.278, 1971) to decide requests for operations in Brazil by foreign air carriers.

Decree No. 68.565 (1971) granting forest industries tax incentives was implemented by regulations promulgated by the Brazilian Institute for Forestry Development.

The Superintendency for Fishery Development has issued rules regarding permits for research and exploitation in the natural algae fields; no exclusive permit may be granted.

Expansions or improvement of tourist facilities and services qualifies for tax benefits available to basic industries under art. 25/IV of Law No. 2.973 (1956).

A program for the development of the Mid-West (PRODOESTE) has been initiated aiming at the construction of highways, silos, warehouses, processing plants, sanitation works, water courses and land recovery (Decree-Law No. 1.192, 1971).

The income tax convention with Portugal was ratified (Decree No. 59, 1971).

## BRITISH WEST INDIES

The conference attended by representatives of some of the Commonwealth governments (3 *Law. Am.* 518, 1971) met in Grenada on July 25, 1971. The Declaration made public on November 1, 1971, acknowledges the "inescapable destiny of the peoples of the West Indies to be bound together in Nationhood," and mindful of past lessons and conscious of the need to "end all forms of colonialism and to secure effective independence," accepted the responsibility to "create a West Indian Nation of which all the people of the West Indies may one day be a part." The Declaration contains mainly procedural provisions. It provides for a Preparatory Commission to establish "a new State;" however, political questions are reserved to a Council of Ministers appointed by the participating countries. A Constituent Assembly to be established by January 1, 1962, shall, in cooperation with the Preparatory Committee and in cooperation with the nations of the region, draft a new constitution, to be completed by December 31, 1972. The Declaration assumes that the necessary parliamentary approval will be given in time for the promulgation of the new constitution on April 22, 1973, with elections to follow on June 30, 1973. During the work of the Constituent Assembly the participating governments will "endeavor to coordinate their policies and programmes over as wide a field as possible, but more especially in relation to their dealing with the outside world." The Declaration also provides that the

participating areas, by legislation enacted pursuant to section 10 of the West Indies Act of 1967, terminate their status of association with the United Kingdom as of April 22, 1973.

The Declaration was signed by *Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent*, and by one of the independent areas, namely *Guyana*, while *Trinidad and Tobago*, even though promising some help, elected to stay out as did *Barbados*, the latter declaring not to be interested in political integration. *Jamaica* was not represented at the conference. The Declaration was communicated to *Jamaica, Antigua, Montserrat, Belize, and the Bahamas* for consideration. *Great Britain* declared to leave the matter to the governments and peoples involved but expressed satisfaction at the new efforts toward a new West Indian federation.

A regional tax administration agency under the auspices of the CARIFTA Secretariat is planned by Commonwealth governments following an initiative by the conference of tax administrators on the St. Augustine campus of the University of the West Indies in April 1970, and a meeting in St. Lucia in August of 1971. The organization named the Caribbean Organization of Tax Administrators (COTA) is being prepared by a committee consisting of representatives from *Trinidad and Tobago, Guyana, St. Lucia and Dominica*, and will coordinate training, and flow of information in tax matters. It will also provide a pool of experts.

#### Antigua

The House of Representatives has adopted a Government sponsored resolution to lower the voting age to 18 years. The measure requires assent by the Queen since it constitutes an amendment to the constitution and will need implementing legislation.

#### Bahamas

The Bahamas Development Corporation, established by Act No. 19 (1971), shall "carry out, or secure the carrying out of, the laying out and development of designated areas" (art. 3). The Minister responsible for development policy will supervise its activities. The area to be developed will be designated by an order of the Governor (art. 13), upon which the Corporation shall prepare plans (art. 14) and submit them to the Minister for approval (art. 15). The land designated for development may be acquired under the Acquisition of Law Act (ch. 196) as

required for a public purpose, and compensation paid (art. 16). Work under the act may be delegated by the Corporation to "any subsidiary company" under stated conditions (art. 24).

An act to provide for the preservation of public records of the Islands and to establish a Public Records Office also was consented to (Act No. 26, 1971).

Among amendments to existing legislation, the following may be mentioned: the Telecommunications Corporation Act of 1966 (No. 14, 1971); the Banks and Trust Companies Regulations Act of 1965 (No. 15, 1971), dealing with unit trust schemes (3 *Law. Am.* 518, 1971); the Hotel Keepers Act (ch. 70) affecting liability of the hotel keeper for guests' deposits (art. 3) and relieving the keeper of his duty to accept deposits with a declared value over \$10,000; the Broadcasting and Television Commission Act (No. 17, 1971); the Civil Aviation Act (No. 18, 1971); the Telecommunications Loan Act of 1969 (No. 22, 1971); the Electricity Act (No. 23, 1971), and amendments to existing tax legislation; the Cigarette Inland Tax Act (No. 20, 1971); the Casino Tax Act of 1967 (No. 21, 1971), and the Petroleum Products Inland Tax Act (No. 24, 1971).

#### St. Kitts

The draft of a Press and Publications Board Bill is designed to give the Board the authority to require disclosure of the name and address of a contributor; the Board also shall meet in secret to consider written complaints and may "demand apologies, corrections and/or explanations," or assurances against "further undesirable publication." The draft makes it an indictable offense to write or publish matters "insulting to the Government as a whole or to Ministers severally." Police may make searches, seize newspapers, expel and ban convicted aliens and prohibit persons from being connected with newspapers, unless they post bond. Foreign newspapers may be banned from the island. In spite of strong objections at home and abroad, the Press and Publications Board Bill was approved by the Assembly on November 23, 1971.

#### St. Vincent

A further amendment was enacted to the Aliens Land-Holding Ordinance (No. 13, 1971). Prices of goods and their distribution are controlled under Order No. 15 (1971).

## CANADA

Among others, the following enactments have been assented to: the Government Organization Act; the Motor Vehicle Safety Act, and amendments to the Canada Corporations Act and the Shipping Act.

The Income Tax Agreement with Jamaica was ratified.

### Alberta

Acts dealing with the age of majority; elections; government emergency guarantee; and the legislative assembly have been proclaimed as have been amendments to acts regarding the change of name and the jurisdiction of federal courts.

### British Columbia

The Hearing-aid Regulation Act and the Mortgage Brokers Act came into force; also amendments dealing with the Department of Commercial Transport; the Greater Vancouver Regional Water and Sewer District, and fish inspection.

### Manitoba

Acts dealing with local government in Winnipeg; with personal investigations; public schools; and farm machinery and equipment have taken effect as did numerous amendments to existing legislation, among them those regarding automobile insurance; consumer protection; criminal injury compensation; expropriation; highway traffic; labor relations; landlord and tenant; securities; workmen's compensation; insurance; juries; and liquor control.

### New Brunswick

A number of acts have been assented to, among them the Forest Products Act; the Livestock Incentives Act; also amendments to acts dealing with dairy products; the maintenance of deserted wives and children; sheriffs; elections; and trust companies and trustees.

The Legislature has passed, among others, acts dealing with clean environment; health services; human rights; industrial relations; legal aid; development of tourism; as well as a large number of amendments to existing legislation.

### Newfoundland

Acts dealing with accident and sickness insurance; mechanics' liens; and the attainment by minors of majority took effect; also amendments to acts regulating automobile insurance and bills of sales.

### Nova Scotia

Acts providing for welfare councils; day care service; health councils; and regulating motor vehicles and livestock loans took effect; also amendments to acts regarding condominium property; education; and labor-management relations in the construction industry.

### Ontario

Among others, the following acts have been assented to: an act respecting the age of majority and accountability; the Corporations Information Act; the Tile Drainage Act; the Environment Protection Act; the Compensation for Victims of Crime Act; and the Hotel Fire Safety Act.

### Prince Edward Island

The following acts have been assented to: the Oil, Natural Gas and Minerals Act; the Elevators and Lifts Act, and the Labor Act.

### Quebec

The following acts have been sanctioned: to promote the marketing of fish; to assist industrial development generally and through tax benefits; to reorganize school boards; to establish public curatorships and an Advisory Council on Justice; to promote access to justice; and to amend the Civil Code (publication of the cadaster). Numerous amendments affect legislation on family housing; the legislature; the executive; the labor code; and the civil service, among others.

### Saskatchewan

The Controverted Election Act took effect.



## CHILE

The law regarding sale of chattels on installments (No. 4.702, 1929) was amended by Law No. 17.482 (1971). Minimum periods for payment are extended from one week to one month, and creditors may demand full payment only after default on two installments, instead of four as provided by the original law (art. 20). In case the debtor secured his payment with a chattel mortgage, he may retain possession provided the chattel is necessary for his work, indispensable for his and his family's livelihood, or is destined for public service (art. 20).

Law No. 17.478 (1971) amended art. 446 and 447 of the Criminal Code.

Law No. 17.511 (1971) has set penalties for illegally acquiring or transferring food and other welfare articles distributed by the State, the penalty depending on their value in relation to the culprit's monthly pay.

The salary of the President, Ministers and other high government officials was established by Law No. 17.503 (1971) at the level of twenty monthly *sueldos vitales* under schedule A (Santiago).

Law No. 17.483 (1971) has authorized the *Empresa Nacional de Minería* to extend aid in the form of loans, machinery, and others, to producers of minerals and concentrates in order to "promote production and start new explorations" (art. 1), in cooperation with the Chilean Central Bank.

Law No. 17.551 (1971) offers needy students aid for transportation to centers of higher education.

Chilean professionals and technicians returning from abroad are granted exemptions from certain tariffs (D.O. August 28, 1971).

Decree-Law No. 9 (1968) regulating the leasing of farm land and other forms of exploitation by third persons was amended by Law No. 17.510 (1971).

An extensive modification of customs corresponding to the Cartagena Agreement has been enacted (D.O. August 27, 1971).

Law No. 16.282 has been amended by Law No. 17.564 (1971) to meet needs of reconstruction caused by the earthquake of July 8, 1971.

In pursuance of the recent constitutional reform (Law No. 17.450, 1971, 3 *Law. Am.* 525, 1971) the President has determined the amount of taxes foreign mining companies have avoided between 1955 and 1970:

the *Compañía de Cobre Chuquicamata, S.A.* \$300 million; the *Compañía de Cobre Salvador, S.A.* \$64 million; and the *Sociedad Minera El Teniente, S.A.* \$410 million. The findings have been submitted to the *Contralor General* (D.O. September 29, 1971).

The *Compañía de Teléfonos de Chile, S.A.* was intervened under a presidential decree (D.O. September 29, 1971) on the ground that the corporation failed to meet its obligations.

Chile has adopted the convention of the International Labor Organization (1958), dealing with discrimination in employment and professions (D.O. November 13, 1971). Agreements on air transportation were concluded with Cuba and Belgium (D.O. November 4, 1971). The amendments to the Charter of the O.A.S. have been approved (D.O. August 5, 1971) as was the convention establishing the International Telecommunication Union (Montreux, 1965).

The President has submitted to the Legislature a law which shall, in addition to the textile and mining industry and to banks, bring the rest of the economy under state control. The draft provides that enterprises engaged in activities of "eminent interest for the economic life of the nation" both in providing the domestic market in regards of imports and exports, shall be reserved to the State. The compensation shall be according to the book value or the capital, to be paid partly in cash and partly in bonds.

A complete text of the constitution, including all amendments, was promulgated by Decree No. 1.333 (D.O. October 25, 1971). A statute of the Constitutional Court was promulgated (D.O. November 1971).

The constitutional amendment (3 *Law. Am.* 384, 1971) appears translated in 10 *Int'l Leg. Mat.* 1067 (1971).

## COLOMBIA

Decrees No. 1.694, and 1.844 (1971) regulate documents of identification established by Decree-Law No. 1.260 (1970).

Law No. 8 (1981) amended Law No. 47 (1967) classifying pharmaceutical products.

Law No. 6 (1971) provides for an extensive revision of tariffs.

Decree No. 1.227 (1971), implementing Law No. 15 (1959), provides for subsidy to public, private and mixed automobile transportation, to be determined by the *Corporación Financiera de Transporte*, amending Decree No. 1.361 (1961). A decree (No. 212, 1971) applies to taxis.

Decree No. 1.986 (1971) regulates tax aspects of damages pertaining to unjustifiably dismissed workers.

Decree No. 2.153 (1971) contains an extensive regulation supplementing Decree No. 1.299 (1971, 3 *Law. Am.* 533, 1971) ratifying the Cartagena Agreement. In essence, the Regulation provides that in oil and mining the present regime will continue; in refining, transportation and marketing of derivatives only new direct investments in domestic enterprises shall be allowed. Regarding insurance, no foreign investments shall be allowed in established companies. In financial corporations the *Departamento Nacional de Planeación* may, in exceptional cases, allow foreign investments in national or mixed institutions provided such participation does not exceed 10% of the paid-in capital and legal reserves. To increase foreign investment or reinvest profits, a foreign bank must transform into a mixed institution within ten years. There shall be no foreign investment in public services (e.g., water, health services, telephone, radio, television, periodicals and reviews), nor in domestic transportation or in enterprises marketing domestic transportation or in enterprises marketing domestically any product. Only tourist enterprises may be exempt. Reinvestments in existing enterprises may be made upon approval by the *Departamento Nacional de Planeación*.

The Cartagena Agreement survived an attack on constitutional grounds before the Supreme Court (July 26, 1971). The court avoided the issue of adoption of the Agreement by presidential decree rather than by legislative enactment by finding lack of jurisdiction in the matter. The concurring opinion stressed that although a constitutional error might have been committed, the sanctity of international treaties must not be affected by subsequent discovery of procedural irregularities involved in the process of ratification. The dissent insisted that the agreement required legislative approval. It may be added that presently the National Congress is discussing a draft law to revoke Decree No. 1.299 (1971) on grounds of unconstitutionality.

The Supreme Court held (No. 32, August 26, 1971) art. 19, para. (2) and 459 of the new Code of Civil Procedure (Decree No. 1.400, 1970), giving the executive branch authority to adjust the amounts involved in litigation or the type of litigation as determinative of jurisdiction, unconstitutional.

The convention with Brazil for economic and technical cooperation was adopted by Law No. 5 (1971).

Decree No. 1.727 (1971) promulgated regulations for the free port of Palmaseca, patterned after those in force for the free port of Barranquilla.

Pursuant to the regulation of the assembly (Decree No. 1143) industry issued in 1969 (1 *Law. Am.* 73, 1969) the Ministry of Economic Development has issued a regulation (Resolution No. 238, 1971) regarding electronics, accompanied by general guidelines, among them that domestic raw materials be used, whenever possible; that products be marketed at reasonable prices; that their purchase be available on credit; and that there is sufficient technical assistance.

The *Junta Monetaria* has issued a number of resolutions. Among others, they deal with travel abroad (No. 57); the *Fondo Financiero Industrial* in the *Banco de la República* (No. 68); with certificates of deposit to be issued by banks up to 7% of their paid-in capital and legal reserves; with deposits of 95% in domestic currency at the registration of foreign loans (No. 85); and the allocation of foreign currency for payment of interests not in excess of 9.5% annually (No. 84).

Registration of persons (3 *Law. Am.* 55, 287, 1971) was further regulated by Decree No. 1873 (1971), dealing with registration of births.

## DOMINICAN REPUBLIC

Law No. 159 (1971) amended the *Ley sobre Colonato Azucarero* (No. 491, October 27, 1969) in view of the fluctuating sugar prices as well as the governmental policy to diversify domestic agricultural production and the need to restrict land used for the planting of sugar cane. The amendment has replaced para. II of art. 10 of the 1969 law by prohibiting contractual establishment of new *colon* — relationships related to production of sugar cane for industrial purposes. The amendment adds that sugar mills cannot accept cane produced in violation of the law. The amendment also sets penalties (fines and imprisonment); in case the violator is a legal entity, its manager or officer in charge will be held criminally responsible. The proceeds derived from illegally produced cane will be confiscated.

Law No. 550 (December 23, 1964) designed to protect investment of savings in companies, was amended by Law No. 162 (1971). Companies subject to the law will be under control of an authorized public accountant appointed by the *Superintendente de Bancos* (art. 10). Such companies may be intervened in case serious irregularities in the management of funds or business appear (art. 14, para. 1). Such intervention on behalf of the *Superintendencia de Bancos* may include all measures necessary to correct irregularities and to prevent them in the future. The *Superintendente* will appoint an official as *interventor delegado* to supervise all

administrative activities. During such intervention, the *Superintendente* may also appoint persons to the board of directors (art. 14, para 1); he must authorize general assemblies (art. 14, new para.). Positions in managing bodies of companies may be occupied only by natural persons meeting the requirements of the charter. General assemblies decide by majority vote of shareholders, present or represented; every share is entitled to one vote and no shareholder may have more than 1,000 votes, regardless of the number of shares he holds. Transfers of shares valued at 5,000 pesos or more, must be approved by the board of directors of the company and by the *Superintendencia de Bancos*.

A law on checks is being discussed by the Legislature, particularly the provisions dealing with checks without funds, among them the closing, provisional or final, of such accounts and even the prohibition against such defaulting issuers to reopen checking accounts at the same or other banking institutions.

Before the Legislature is a draft to amend Laws No. 3805 and 985 regarding recognition of illegitimate children, by providing that such recognition may be given in the birth certificate based on an express declaration or simple admission; the declaration could also be made later before the officer of the civil status or before a notary public. Paternity would also be established by a suit brought by the mother; in case of her death by her relatives, by the guardian or by the *Ministerio Público*. Such suit could be brought against the father at any time; in case of his death it would lay against his heirs within five years of his death.

The establishment of a constitutional court is being promoted; also social security (life insurance) for attorneys.

A new customs law shall enter into force in 1972; it has been adopted by the Chamber of Deputies.

An additional amendment to the divorce law (3 *Law. Am.* 535, 1971) was adopted by the legislature. It provided that "aliens sojourning in the country and, even without residing there, may obtain divorce not only on ground of mutual consent under Law No. 142 (1971), but also on other grounds established by the same law, provided at least one spouse is present in court and the other is represented by a specially authorized attorney," and the parties have submitted to the jurisdiction of Dominican courts. The law as adopted also contained provisions regarding evidence and remarriage. However, the law was vetoed by the President and his veto was sustained by the Legislature.

## ECUADOR

The new Hydrocarbons Law was promulgated on September 27, 1971. It proclaims all oil deposits to be State property and administered by the Ministry of Natural Resources and Tourism, by the Ministry of Defense and by the *Corporación Estatal Petrolera Ecuatoriana* (CEPE). Explorations are limited to areas of 200,000 hectares with the proviso that after the period allowed for exploration the company involved may keep no more than 40% of the area for exploitation. Contracts for exploration run five years, and 20 years for exploitation; the latter period may be extended for 10 years. Upon expiration of the contract the party involved must turn over to CEPE all installations, equipment and wells without cost and in good condition. The State receives fees determined by the size of the area involved in exploration or exploitation, but no less than 12½% to 16% of the gross production of crude oil; in no case, less than a minimum annual amount ranging from 200,000 to 500,000 soles.

## EL SALVADOR

The law regarding meat inspection (Legislative Decree No. 588, 1969, 2 *Law. Am.* 52, 1970) was implemented by an extensive regulation (Decree No. 39, 1971).

A regulation for protection in excavation work was promulgated on July 20, 1971.

The law establishing a guaranty fund for small industry (Legislative Decree No. 117, 1970, 3 *Law. Am.* 62, 1971) was implemented by a regulation (Decree No. 45, 1971). It provides for guaranty to credits by commercial and mortgage banks, by the Institute for Industrial Development (INSAFI) and public and private banks; also by cooperatives and by private enterprises which prove their contribution to small industry (art. 3). Credits may be guaranteed up to 75% (art. 9), but not beyond 75,000 colones (art. 10). The income of the fund will be provided primarily by the State (art. 19).

Decree No. 44 (1971) dealing with permits by the *Superintendencia de Bancos* for the issuance, cancellation and destruction of documents, titles, and obligations, has implemented Legislative Decree No. 94 (1970) regarding credit institutions and auxiliary institutions (3 *Law. Am.*, 60, 1971).

Decree No. 390 (1971) prohibits teachers from striking.

Minimum wages for workers on coffee, sugar, and cotton plantations have been increased by Decree No. 49 (1971).

Decree No. 392 (1971) regulates photocopying of land deeds in connection with their inscription under Decree-Law No. 1.873 (1971).

Pursuant to the Customs Code (Legislative Decree No. 218, 1965) a regulation (Decree No. 54, 1971) authorized the establishment of private warehouses for goods under customs jurisdiction.

A regulation setting standards and procedures for the tariffs for Central American Economic stabilization has been promulgated by Executive Decree No. 45 (1971); a regulation regarding the Central American agreement on tax incentives for industrial development was issued by Executive Decree No. 47 (1971).

#### FRENCH ANTILLES AND GUYANA

The composition of courts under Decree No. 62-138 (1962) for the judicial organization of Martinique, Guadeloupe, Guyana and Reunion, has been modified by Decree No. 71-739 (1971).

Aid to handicapped minors was enacted (Law No. 71-563, 1971) and applies also to overseas departments (art. 3).

Law No. 71-588 (1971) dealing with merger of municipalities does not apply to overseas departments (art. 16).

Law on professional education (Law No. 71-575, 1971) shall take effect in overseas departments by decree (art. 52). Same applies to the law on apprenticeship (Law No. 71-576, 1971, art. 36).

The law on urbanism and housing, and related enactments (including art. 1831 of the Civil Code) have been amended by Law No. 71-581 (1971); it contains special provisions for overseas departments (art. 21).

Law No. 67-558 (1967) on social security (illness, invalidity, maternity) for farmers (*exploitants agricoles*) and their non-paid family members has been extended to overseas departments by Decree No. 71-699 (1971). Financing is provided by Decree No. 71-700 (1971).

Minimum wages for Guadeloupe, Martinique and Guyana have been increased by Decrees No. 71-589 and 71-590 (1971).

Tax benefits under art. 66 of Law No. 70-1199 (1970) are available to hotels, vacation colonies and restaurants (arrêté, July 15, 1971).

## GUATEMALA

Congressional Decree No. 78-71 (1971) regulates contracts of commercial agents, distributors and representatives of domestic and foreign enterprises. The contract is one between the principal, an individual person or a legal entity, who designates another individual person or legal entity as an exclusive agent, distributor or representative, to market merchandise, produced locally or abroad, or provides services, and an agent, distributor or representative, an individual person or legal entity, domiciled in Guatemala, who agrees to engage in such activities in an independent capacity through his own enterprise and in a permanent way, thus excluding commercial agents and other persons who act in a dependent capacity, bound by a typical employment contract (art. 1). The contract runs for an indefinite period, unless a definite period is agreed upon which is the only aspect of the relationship amenable to parties' agreement; the contract is executed as a public or a private authenticated document (art. 2). Such contract may be terminated or rescinded only for the following reasons: by mutual consent; by expiration of the time agreed; for just cause (art. 4); by a three months notice on the part of the agent; and by a decision on the part of the principal subject to damages as provided by law (art. 3). Just causes to terminate the contract for both parties are failure to fulfill the contract; delict against the other party; or default to supply information or accounts (art. 4 para. 1). The principal may terminate because of breach of commercial secrets or decrease in business (art. 4, para. 2). The agent may terminate the contract whenever the principal engages in acts which impede the other party from fulfilling contractual obligations (art. 4, para. 3). The principal who terminates the contract without a legal ground becomes liable for damages (art. 5), consisting of a refund of expenses including advertisings; investments made unless useful for other purposes; payment of the inventory value (*costo bodega*) of the merchandise; 50% of prospective income from such merchandise; monetary equivalent of income for the last three years; and further indemnities which would be available to an employee dismissed without cause (art. 6). Damages are determined by courts (art. 7). The principal sued for claims under art. 5 may not engage another agent, distributor or representative or operate in any way the particular enterprise unless he proves payment or posts bond; infraction of this provision will be fined by the Ministry of Economy (art. 8). Additional provisions are provided by the Commercial (1970) and the Civil Code.

Congressional Decree No. 66-71 (1971) regulates the acquisition of medicines by the State and decentralized, autonomous or semiautonomous



entities; they must be marked "Sale Prohibited." Another decree (No. 81-71, 1971) regulates optometry. A governmental *acuerdo* regulates cemeteries and handling of human corpses (D.O. September 20, 1971).

Art. 321 of the Labor Code was amended by Decree No. 86-71 (1971), relating to cases where there is no need for representation by an attorney in labor litigations.

Decree No. 92-71 (1971) deals with the sugar industry. An *acuerdo* classified cotton (D.O. November 18, 1971).

Decree No. 85-71 (1971) exempts negotiable instruments executed abroad and payable in Guatemala, from taxes.

Decree 80-71 (1971) amended art. 30 of the law regarding purchases and agreements for goods and services (Decree No. 11-71, 1971, 3 *Law. Am.* 63, 1971).

Congress has adopted (Decree No. 73-71, 1971) the Convention Establishing the Central American Economic Integration Bank, signed in 1969. Approved also was a regulation relating to the Central American Convention on Tax Incentives and Industrial Development, including the protocol for preferential treatment of Honduras (D.O. September 20, 1971), and a regulation regarding norms and procedures for the application of an economic stabilization tax under the Protocol of the General Treaty of Central American Economic Integration (D.O. September 20, 1971). The international convention on wheat signed in Geneva in 1971 was also adopted (D.O. November 16, 1971).

## GUYANA

Under a recently enacted Capital Issues (Control) Bill, 1971, Guyanan corporations are prohibited from offering shares without prior approval from the Ministry of Finance.

An agreement was signed in Peking with China dealing with trade and technical cooperation.

## HAITI

The Legislature recently passed a number of laws reorganizing various ministries, among them the Department of Public Health and Population which started as Public Health Service in 1945, became the Department of Public Health in 1957, and was organized by Decree-Law of January 29, 1959. The Secretariat of the Interior and National Defense is, under the new law, charged with defending the Government's

policies at home and abroad; safeguarding domestic tranquility and family security; supervising lower administrative offices (*prefectures*) and municipalities as well as the press and all means of telecommunications; controlling immigration and emigration; executing laws and measures taken by the President for the internal and external security of the country; supervising penal institutions and the suppressing of mendicity and delinquency; supporting various branches of the police and finally administering public domains. Dependent on the Secretariat will be: the armed forces, the Secretariat of the Council of Secretaries of State; the Secretariat of the Legislative Chamber; the private Secretariat of the President; the official gazette (*Moniteur*), and the General Inspectorate of Frontiers.

Decree of February, 1968, granting to the *Office d'Assurances Vehicules Contre Tiers*, monopoly in traffic accident insurance, was amended; premiums shall be collected by the general tax administration and deposited in a special account of the National Bank.

Before adjourning, the legislature adopted, on September 11, 1971, a decree suspending art. 17, 18, 19, 20, 25, 31, 34, 48, 70, 71, 72, 93 (third para.), 95, 112, 122, (second para.), 150, 151, 155, 193 and 198 of the Constitution (art. 1) and conferred upon the President for life full powers to govern by decree (art. 2).

The enactment of a social security law for work accidents is under consideration.

The Haitian Bar is considering the publication of a bulletin; a *Revue Sociale et Juridique* also is being planned. Legal periodicals in Haiti started with the *Revue des Tribunaux* (1843), followed in 1893 by the *Revue Judiciaire*, and in 1885 by the *Revue Judiciaire*, discontinued in 1952. In 1937 the *Gazette du Palais* was started, followed in 1945 by the *Revue Juridique d'Haiti*, and in 1951 by *Les Debats*. In 1947 students of the Law Faculty attempted *Themis, Revue Universitaire et Scientifique*. At the present, there is no legal periodical nor any legal continuation like the *Bulletin Officiel du Department de la Justice* (1907), or the *Bulletin des Lois et Actes* and the *Bulletin des Arrêts*.

## HONDURAS

Decree No. 69 (1970) is designed to promote the cattle industry by granting tariff privileges and establishing a *Comité Nacional Agropecuario* to act in an advisory capacity. The Organic Law of the Honduran Coffee Institute (Decree No. 83, 1970) charged the Institute with the study and

direction of the production of coffee and technical advice to producers, industrialists and exporters.

Passports are regulated by Decree No. 124 (1971). It provides for Nansen passports for persons without nationality or for political exiles, and sets rules for entry and departure of aliens.

A national service of subterranean waters was created charged with hydrological research in cooperation with the United Nations.

Art. 136 to 140 of the Organic Law of the Judiciary and art. 266 to 267 of the Code of Criminal Procedure have been amended as have been art. 22, 41 and ch. III and 77 of the Municipal Code.

Decree No. 22 (1971) amended a number of enactments dealing with cooperatives.

Decree No. 48 (1971) contains a schedule for attorneys fees in civil, criminal, labor, notarial and administrative matters.

Congress has approved (Decree No. 14, 1971) the agreement with the United Kingdom on technical cooperation.

## JAMAICA

The Legal Profession Act (No. 15, 1971) provides for the enrollment and practice of legal practitioners, for the establishment of a General Legal Council charged with matters pertaining to legal education, professional standards and for the discipline of the legal profession. The act eliminated the traditional distinction between barristers and solicitors. In their place, the uniform type of legal practitioner, the attorney-at-law, has been substituted. The Legal Education Authority which may be the General Legal Council (consisting of the Chief Justice, the Attorney General, one member appointed by Minister, and fourteen legal practitioners appointed by the Minister) or any other body designated by the Minister as the Authority, is charged with making arrangements for a system of legal education and for selecting topics for bar examinations. Also, arranging courses of instruction and generally "for affording opportunities for students to read and obtain practical experience in law," as well as regulating the admission of students to legal studies and holding examinations. These functions may be carried out either through a school of law or any other educational institution or both (art. 9). Attorneys' fees may be recovered one month after the service is rendered (art. 21). Legal documents may be, as a rule, prepared only by attorneys; unqualified persons may be fined (art. 30). Regulations may require attorneys to keep separate accounts of

clients' moneys (art. 35). Annexed schedules regulate the General Legal Council; the practising certificate; and the Disciplinary Committee and its proceedings.

Among others the following acts have been amended: the Customs Law, ch. 89 (No. 19, 1971); the Mortgage Insurance Law No. 26 of 1960 (No. 20, 1971); acts dealing with taxation, among them the income tax law of 1954 in regard to taxing of qualified unit trusts schemes (3 *Law. Am.* 546, 1971); the Coroners Act (No. 23, 1971); a number of amendments dealing with the organization of the judiciary (No. 24, 25, and 26, 1971); the Road Traffic Law; and the Wharfage Law (No. 28, 1971).

The Governor-General has submitted to the Legislature, among others, the Fishing Industry Act and a Hire-Purchase Act.

Plans are under way to give workers additional protection. Workers with more than five years' service shall receive a longer period for notice of termination while workers with less service shall receive compensation in cash. A severance pay shall be provided for workers dismissed because of mechanization, merger, reorganization or other causes. Upon termination of employment of workers recruited outside a specified area, the employer will also have to provide for subsistence and repatriation.

The House of Assembly passed the Public Service (Conditions of Employment) Act, 1971. Among other provisions, the act seeks to prevent public officials from participating in any publication or expressing views on political or administrative matters.

## MEXICO

Art. 10 of the federal constitution was amended (D.O. October 22, 1971). The right to possess arms was limited to keeping them in homes (domicilio) "for safety and legitimate defense," except those arms prohibited by federal law; the exception regarding arms reserved for the use of the army, remained unchanged. The last sentence was replaced by providing that a "federal law shall determine instances, conditions, requirements and places where bearing of arms by inhabitants may be allowed."

The control entrusted to the *Comisión Nacional Bancaria y de Seguros* (3 *Law. Am.* 302, 1971) was defined in a regulation establishing its functions in regard to insurance (D.O. August 10, 1971). The Commission shall supervise insurance institutions as provided by the General Law of Insurance Institutions (1935) and related enactments; approve premiums and contract forms; deal with complaints against insurance institutions;

intervene in cases of liquidation, bankruptcy and others; and act as a consultative body for the Secretariat of Public Finance and Credit (art. 1). In case the obligations, capital and investments in insurance institutions do not meet legal requirements, the Commission may impose necessary measures (art. 4). In case of irregularities, the Commission may appoint a delegate to such institution (art. 5).

The law to prevent ecological pollution (1971, 3 *Law. Am.* 303, 1971) was implemented by a regulation (D.O. September 17, 1971). It deals with pollution by fumes and dust; education; inspection; penalties and respective procedures, including *acción popular* (art. 75 to 78).

Conventions on cultural cooperation with the Dominican Republic and France have been ratified (D.O. October 26 and 27, 1971).

A revision of the customs code is being considered.

#### NETHERLANDS WEST INDIES

The question of independence urged by the Dutch Lower House was treated by the Government with reticence, pending the outcome of the work of the committee composed of representatives from the Netherlands, the Antilles and Surinam and charged with the study of the present conditions and with recommending the future status "quietly and in a well considered fashion." The committee will meet early in 1972. Its recommendations may not be expected earlier than in one or two years.

#### NICARAGUA

On October 7, 1971, the new *Ley General de Títulos Valores* took effect. It deals with various types of negotiable instruments, including penal provisions for the issuance of checks without funds. It also regulates, among others, crossed checks; checks payable from a particular fund; nonnegotiable checks; certified checks; travelers checks and checks with receipts attached.

#### PANAMA

A *Comisión de Reformas Revolucionarias a la Constitución Política* (1946) was set up by Decree No. 214 (October 11, 1971) to prepare a draft to be submitted to an *Asamblea de Representantes de los Corregimientos* for discussion and ratification. The *Comisión* consists of 25 appointed members who must be Panamanians by birth, over 25 years of age, enjoy good reputation and excel in the performance of some calling, and not be guilty of a crime against Panama, civil liberties, the Government or affect-

ing any "public matter" (art. 4). Their meetings may also be attended by high government officials with the right to vote (art. 1) and may be implemented by representatives of labor, farmers, merchants, industrialists, as well as cultural institutions (both teachers and students), and civic and charitable institutions (art. 2). The *Asamblea* shall consist of representatives of municipalities elected by them (art. 5), one representative for each (art. 6). Upon adoption of the new constitution, the *Asamblea* may convert itself into the Legislature and act according to provisions of the new constitution (art. 13). It also shall elect the President and Vice President (art. 14).

Decree No. 172 (August 24, 1971) enacted extensive modifications to Decree No. 413 (December 30, 1970), designed to aid industrial development by incentives and by encouraging the selection of a more desirable location. The benefits are available equally to domestic and foreign enterprises engaged in industrial production, but not in marketing (art. 1). Particular benefits are available to industrial enterprises working for export, among them complete tax and customs exemptions, except a 3% equivalent of all taxes and other charges to cover services connected with the program. Nevertheless, enterprises may elect to pay income tax which they will receive back as loans (art. 3). Enterprises producing for the local market and for export are granted significant incentives (art. 5); and even more those which select sites in listed localities (art. 7). Enterprises which adopt the regime available under this decree will be protected against foreign competition (art. 9); they also may demand the establishment of quotas (art. 15). Enterprises which enjoy benefits under the decree are bound to comply with a number of obligations, among them, that they have invested in Panama the capital and started production within six months; have supplied the domestic market with products of good quality and at reasonable prices; employ Panamanians except experts and specialized technicians who must train domestic workers; and must not engage in retail marketing (art. 25). Finally, domestic authorities must cover their needs from such enterprises (art. 33). Agreements under this decree shall last for 15 years, except those privileged because of their location which shall run for 20 years (art. 39).

Decree No. 168 (July 27, 1971), introduced educational insurance (*seguro educativo*), financed by contributions from employers, workers and self-employed (art. 1), half of which is to be used for professional, union, cooperative, farm and radio and TV education, while the remaining income goes to educational loans (art. 2). The administration is divided between the *Instituto para la Formación y Aprovechamiento de Recursos Humanos*, the Ministry of Education, and the Ministry of Labor and Social Welfare (art. 3). Loans (with 5% interest) will be secured by an irrevoca-

ble contract to withhold 10% of the earnings for payment (art. 8); this part of the salary is exempt from attachment (art. 9) as well as from taxation (art. 10).

## PARAGUAY

The National Council of Economic Coordination has raised minimum wages (*Resolución No. 5, 1971*).

Law No. 264 (1971) set judicial fees and their use.

The National Service for Professional Advancement was established by Law No. 523 (1971).

The Ministry of Agriculture and Livestock has promulgated a decree (No. 22.579, 1971) regulating the marketing of bones and their products.

Law No. 273 (1971) created a free zone in the Puerto Presidente Stroessner.

A general register of taxpayers was set up by Decree No. 20.147 (1971). The entering into force of the Law No. 248 (3 *Law. Am.* 550, 1971) on income tax has been postponed to the end of 1971 (Law No. 266, 1971).

A convention on cooperation in tourism with Spain was adopted (March 30, 1971); also a convention with Argentina for the study of the Río Paraná (Law No. 270, 1971).

## PERU

A scheme to further social mobilization has been set up by Decree-Law No. 18.896 (1971) designed to improve, orient and organize the population; to develop entities of social interest; and to establish communication between the Government and the people (art. 2) on the national, regional, provincial and local level (art. 3). The scheme will be organized directly under the President and administered by a director with cabinet rank (art. 4). The aims of the scheme shall be achieved, among others, by promoting creative energies of the population in regard to its own development; stimulating a dialogue between the Government and the population to enlighten the latter regarding the Government's decisions in the light of the factual situation, interests and common objectives; providing for necessary means; furthering ties between governmental and people's action; coordinating social mobilization with other public and private actions; and pressing public administration into the service of the people (art. 5).

The law establishing stability of private employment (No. 18.471, 3 *Law.Am.* 309, 1971) was implemented by Decree-Law No. 18.912 (1971) providing jurisdictional and procedural rules for respective litigations. Labor inspection by the Ministry of Labor is regulated by Supreme Decree (No. 003-71-TR, 1971), accompanied by a regulation concerning complaints filed with offices charged with labor inspection (Decree No. 004-71-TR, 1971). *The Servicio Nacional de Aprendizaje y Trabajo Industrial* (SENATI), created by Law No. 13.771, was amended by Decree-Law No. 18.983 (1971); the law dealing with social security (No. 8.433) also was amended (Decree-Law No. 18,982, 1971).

Art. 116(1) and (5) of the Commercial Code have been amended (Decree-Law No. 18,948, 1971) making the profession of auctioneer available to women.

The General Mining Law (No. 18,880, 3 *Law. Am.* 522, 1971) was amended in art. 323 (Decree-Law No. 18.954, 1971). The Organic Law of Energy and Mining Sector (Decree-Law No. 17.527, 1970) was amended by Decree-Law No. 18.971 (1971), affecting art. 15; this law also amended art. 302 and 317 of the General Mining Law.

Tax and credit incentives are available to decentralized industries, i.e., those located outside of Lima and Callao (Decree-Law No. 18,977, 1971).

Import duty exemptions have been granted to oil industries by Decree-Law No. 18.939 (1971).

Activities available to private banking institutions are defined by Decree-Law No. 18.957 (1971). They must be corporations designed to accumulate financial resources and channel them together with their own capital, into medium and long-term loans (art. 1). They are licensed by the *Superintendencia de la Banca y Seguros* and the *Comisión Nacional de Valores*; their shares must be quoted on the exchange (art. 2). No other private institution may use the term 'financial' (art. 3). Members of the board of directors and of the control board (*consejo de vigilancia*) may not occupy any position in other financial enterprises (art. 4). The paid-in capital must be at least 40 million *soles*—gold (art. 6); at least 51% of the corporate capital must be held by Peruvians (art. 7). One person may not hold more than 20% of the capital, including shares held by relatives; an analogous rule applies to legal entities (art. 8); Transfer of shares must be registered with the *Superintendencia* (art. 9); any simulation results in forfeiture to the State (art. 10). Financial institutions must establish a reserve fund in an amount no less than the paid-in capital (art.



11); a special fund of at least 5% of profits shall cover investment risks (art. 12). Art. 13 lists operations which private financial institutions are permitted to conduct; other operations are prohibited (art. 15), among them participation in the capital of other financial institutions; accepting their own shares as collateral; issuing credit cards; and accepting saving accounts and deposits on sight and open accounts. Financial institutions may hold only a limited number of shares which may not exceed 25% of the capital of the institution which issued them; nor over 20% of the portfolio of the investing institution; nor may shares be held over five years in case the institution's own shares are involved. In general, the holding of shares in private financial entities is limited to institutions which in the opinion of the Peruvian Central Reserve Bank are engaged in economic activities (art. 18). Investments in immovables may not exceed 25% of the paid-in capital and reserves.

Regional banking institutions (those outside of Lima and Callao) enjoy considerable benefits by Decree-Law No. 18.967 (1971). Their capital must be 20 million *soles-gold* (art. 2); no one may hold more than 15% of the capital (art. 3). Investments in such shares enjoy tax benefits (art. 4). Such banks may capitalize both their profits and free reserves tax free (art. 5). Their reserve funds must amount to 50% of the paid-in capital (art. 6). At least two thirds of the members of the board of directors must be domiciled in the respective region (art. 7). Where such regional bank operates, no subsidiaries or banks from the province of Lima will be licensed (art. 8), except agencies (art. 10). Regional banks may issue savings certificates (art. 11) and grant loans to small businesses for more than one year (art. 17). They may open subsidiaries (art. 20).

The National Bank will guarantee credits to public telecommunications (Decree-Law No. 18.988, 1971); it will exclusively handle foreign re-insurance (Decree-Law No. 18.961, 1971).

The *Superintendencia de la Banca* will control interest rates charged or paid by institutions under its jurisdiction (Decree-Law No. 18.944, 1971).

The statute of the *Corporación Financiera de Desarrollo* (COFIDE), created by Decree-Law No. 18.807 (3 *Law. Am.* 554, 1971) was approved (Supreme Decree No. 110-71-EF, 1971).

The *Comisión de Reconstrucción y Rehabilitación de la Zona Afectada por el Terremoto del 31 de Mayo de 1970* (CRYRZA), established by Decree-Law No. 18,306, is organized under Decree-Law No. 18,966 (1971).

The General Law of Fisheries (Mo. 18.810, 3 *Law. Am.* 551, 1971) has been implemented by an extensive regulation (Supreme Decree No. 011-71-PE, 1971). In its initial provisions the regulation deals with the fishing sector of the economy (art. 1 to 21), with the fishing process (art. 22 to 90), accompanied by definitions of marine products (art. 22 to 26), their extraction (art. 27 to 38), manufacture (art. 39 to 63), marketing (art. 64 to 76) and research (art. 77 to 98). Foreign fishing vessels may operate in Peruvian waters under the following conditions: (a) they may not import their catch into Peru; (b) they must work under contract with a domestic enterprise; (c) they may engage only in providing fresh or frozen products for the "national market;" (d) may engage in fishing for whales; and (e) act as auxiliary refrigeration fleet (art. 29). To engage in these activities, foreign vessels must (a) register with the proper Peruvian authority for one year which period may be extended; (b) obtain a permit from the Ministry of Fisheries for particular species of fishing resources; this permit is valid for 100 days and renewable, except for vessel engaged in activities under (b) and (c) of art. 29 which permits last one year and are renewable (art. 30). Foreign vessels authorized to engage in fishing under (c) will be exempt from registration and permit fees, provided they are licensed for such activities by the Ministry of Fisheries. The same privilege is available to vessels engaged in operations under (b) of art. 29, provided their catch is destined for their domestic market (art. 31). Foreign vessels operating under (d) of art. 29 must comply not only with requirements under this regulation but also with regulations regarding fishing in the South Pacific (Supreme Resolution No. 175 of 1953, and Legislative Resolution No. 12.305 of 1955). Refrigeration vessels will be authorized only if they function in conjunction with fishing vessels licensed according to this regulation (art. 33). In case vessels deposit their catch for refrigeration in Peru, such catch will be considered merchandise in transit and requires special permit (art. 34). Foreign vessels are subject to fees: (a) \$500 for registration; (b) \$20 for fishing license by tonnage (art. 35). Applications for registrations and permits shall be filed with the Ministry of Fisheries or with Peruvian consulates in the port of sailing (art. 36). Title III of the regulation contains provisions regarding persons engaged in fishing (art. 91 to 108), including fishing enterprises (art. 109 to 112). Part three contains various incentives available to the fishing industry, particularly in taxation (art. 120 to 153). Title II provides conditions imposed on foreign capital (art. 157 to 169). The period prescribed by art. 57 of the Decree Law No. 18.810 for the agreement to reduce the participation of foreign capital to a percentage not over 49% will be established by taking into consideration the factors listed in art. 157 of the regulation. The period applicable to existing enterprises will be de-

terminated according to art. 159. In order to reduce foreign capital participation, shareholders may: (a) sell their shares or participation; (b) declare their capital, total or partial, to be national, thus waiving the right to repatriate the capital or income therefrom; or they may (c) transfer or sell their shares to the Fishing Community (art. 160). Even foreign investors with less than 40% participation may sell their shares to the Fishing Community (art. 162). Foreign investors have the right to repatriate the purchase price thus obtained, provided these amounts do not surpass the value established by the *Comisión Nacional de Valores* (art. 163); this also applies to re-investments (art. 164). Enterprises with foreign or mixed capital may transfer profits abroad (art. 165) whenever the contract with the State so provides (art. 57 of Law No. 18.810). Fishing enterprises working for direct human consumption are not required to enter into a contract with the State for transformation into national enterprises; however, their products will not benefit from exemptions under the Cartagena Agreement (art. 169). A fishing enterprise is a fishing community (art. 170); its name, domicile and members as well as establishment and registration, organization and administration are regulated by art. 170 to 196 of the regulation. Workers' participation is regulated by art. 197 to 206 as are various types of enterprises (art. 207 to 210). Fishing communities are organized in the *Comunidad de Compensación Pesquera* (art. 211) with a general assembly composed of one representative for each (art. 212). The regulation also provides procedural rules for obtaining permits by foreign enterprises from the Ministry of Fisheries through the Ministry of Foreign Affairs (art. 231), subject to undertakings prescribed in art. 232. Licenses to build plants are regulated by art. 240 to 256 and what the regulation terms *concesiones*, by art. 257. Concessions, i.e., the right to operate exclusively in certain marine areas, are given in a descending order of applicants, among them foreigners or foreign enterprises rank fourth (art. 260, a, 4). Concluding provisions deal with prohibitions and violations (art. 268 to 277) followed by fishing contracts (contracts and mortgages, art. 278 to 294), and general register art. 295 to 364).

New directives for mergers of fishing enterprises appeared in Decree-Law No. 18.922 (1971).

New incentives for the tourist industry have been granted by Decree-Law No. 18.916 (1971). After defining tourist enterprises (art. 1), the law lists a number of tax incentives available, among them lower tariffs for equipment (art. 2); exemption from income tax for reinvested income up to 85%, and benefits for investments in new construction, modernization or for approved plans (art. 4). Tax exempt is also interest payable on

loans to the industry or on bonds issued locally or abroad (art. 10). Depreciation will be allowed up to 10% annually. Further tax benefits will be available in regard to local taxes, among them municipal taxes on transfer of land and 50% of the land tax (art. 13). Additional tax incentives will be available to tourist enterprises outside of Lima and Callao (art. 14). Credits from the *Banco Estatal* shall be available under favorable conditions (art. 16 and 17). The benefits are guaranteed for ten years (art. 23).

The law creating the *Empresa de la Sal* (No. 17.525) was implemented by a Decree-Law (No. 18.923, 1971) establishing the salt enterprise (EMSAL) as a state entity belonging to the industrial-commercial sector and a public decentralized unit with administrative and economic autonomy (art. 1). It will receive its capital from the State (art. 6) and will be administered by a directorate composed of four representatives of the Ministry of Industry and Commerce, one representative of the Ministry of Energy and Mines, and two representatives of the industrial community, according to art. 28 of the Decree-Law No. 18.350 (1971, 3 *Law. Am.* 307, 1971).

The State has become the sole importer of oil (petroleum) under Decree-Law No. 18.930 (1971).

The possibility to lease foreign aircraft was opened by Supreme Decree No. 018-71-TC (1971) which provides: "The *Dirección General de Aeronáutica Civil* may authorize for three months, renewable for same period, the operation of aircraft not registered in the country to which the enterprise or corporation holding a permit to operate international air service belongs, provided such enterprise or corporation shows that the lease was inscribed and approved by the Civil Aeronautics Authority of the country of nationality of the enterprise or corporation which operates the services." (art. 1). The application must be filed 30 days in advance and accompanied by the certificate of the aeronautical authority of the respective foreign country that the aircraft is in the service of the applicant carrier and that reciprocity will be "granted to airlines flying the national flag" (art. 2). Carriers authorized to operate leased foreign aircraft must, before using them, prove that they have a certificate of airworthiness and that their "crews have licenses issued by civil aviation authorities of the nationality of the enterprise or corporation operating aviation services" (art. 3). The decree adds that "this provision applies to national airlines to which this decree applies" (art. 4).

A fisheries agreement was signed with the Soviet Union on September 4, 1971.

Supreme Decree No. 026-71-PM (1971) extended the work of the commission charged with preparing a draft of the basic law of the judiciary. Powers of the *Consejo Nacional de Justicia* (Decree-Law No. 18.831, 1971) have been expanded by Decree-Law No. 18.895 (1971).

## TRINIDAD AND TOBAGO

The Legislature is discussing a number of significant bills, among them, the Emergency Powers Bill, 1971; the Criminal Procedure (Amendment) Bill, 1971, and the Police Service (Amendment) Bill, 1971. The most controversial is the Sedition Bill, 1971, aimed at persons preaching extinction, by violent means, of a class, race or other social unit. A person shall be guilty of sedition who "does, attempts to do, or prepares to do, or conspires with any person to do any act with a seditious intention." Communicating any statement having seditious intentions, or printing, publishing, selling, offering for sale, distributing, or reproducing seditious publications or their importing, is punishable by a summary conviction in the magistrate's court (\$5,000 or two years in prison); if convicted by judge and jury, the penalty becomes \$10,000 and five years in jail. Even possession, power, or control over such publications without lawful excuse constitutes an offense. A search requires a magistrate's warrant.

The draft for the law introducing national insurance has been submitted for public discussion.

The Senate has approved the Workers' Bank of Trinidad and Tobago.

A law is being drafted by the Ministry of Legal Affairs for the punishment of hijacking in pursuance of the Hague Convention of 1970, already in force.

Negotiations are underway with Jamaica for a convention against double taxation.

Further measures to preserve public order are contained in a bill recently submitted by the Government to the House of Representatives. Among other provisions, it prohibits aliens from addressing public meetings without a permit from the Minister of National Security; a violation carries a fine of \$2,500 or two years in prison. Moreover, the bill regulates parades, including the use of loudspeakers and the carrying of weapons. Public meetings should require a permit from the Commissioner of Police applied for 14 days prior to the event; violations would be punishable by fine or one year in prison. Unauthorized parades will be punished by fine or 18 months in prison. However, the Governor-General may dispense with the requirement for permits during a given period; the Minister may

prohibit public meetings for a period up to one month. The holders or organizers of public meetings and marches shall be responsible for acts committed by participants (art. 116, 121), unless the holders or organizers prove that the prohibited acts were "committed without their consent or connivance" (art. 113).

## UNITED STATES

Continuing the program for economic stabilization initiated by Executive Order No. 11615 (3 *Law. Am.* 557, 1971), the President has, after the expiration of the 90 day period, issued Executive Order No. 11627 (October 15, 1971, 36 F.R. 20139) which continues the Cost of Living Council with broad authority to stabilize prices, rents, wages and salaries through two new organizations, the Pay Board and the Price Commission, and three new committees: one on interests and dividends, the other on health services industry, and a third on state and local government cooperation. The Construction Industry Stabilization Committee (Executive Order No. 11588) was brought into the new framework. Generally, the Pay Board and the Price Commission will, pursuant to goals set by the Cost of Living Council, stabilize prices, rents, wages, and salaries at levels not higher than the highest of those pertaining to a substantial volume of actual transactions by each individual or entity during the 30-day period ending August 14, 1971. Records of such prices or rents must be kept for public inspection. However, these rules do not apply to prices for raw agricultural products. The Cost of Living Council "shall develop and recommend to the President policies, mechanisms and procedures to achieve and maintain stability of prices and costs in a growing economy," and shall, to this end "consult with representatives of agriculture, industry, labor, State and local governments, consumers and the public." The Pay Board, composed of representatives of labor, business, and of the general public, shall "perform such functions with respect to the stabilization of wages and salaries as the Council delegates to the Board." The Price Commission is composed of representatives of the general public and will, pursuant to charges by the Council, perform its functions in regard to the stabilization of prices and rents. The Committee on Interests and Rents shall formulate a program "for obtaining voluntary restraint on interest rates and dividends," while the Committee on Health Services Industry shall "provide advice concerning special considerations that tend to contribute to inflation in the health services industry." Finally, the Committee on State and Local Government Cooperation will "provide advice concerning special considerations involved in the stabilization of prices, rents, wages, and salaries . . . as they relate to State and local governments and

subdivisions and employees thereof." Violations will be fined; they also may be enjoined whenever "any person has engaged, or is about to engage in any acts or practices constituting a violation of any regulation or order issued pursuant to this Order." Implementing regulations have been promulgated, among them one (36 F.R. 21788, 1971), containing some basic rules being implemented by numerous circulars and guidelines.

The Saline Water Conversion Act of 1971 (85 Stat. 159); the Vessel Bridge-to-Bridge Radiotelephone Act (85 Stat. 164); the Emergency Loan Guarantee Act (85 Stat. 178); and the Federal Boat Safety Act of 1971 (85 Stat. 213) have been enacted.

A number of laws were amended, among them the Public Works and Economic Development Act of 1965, and the Appalachia Regional Development Act of 1965 (85 Stat. 166); the Northwest Atlantic Fisheries Act of 1950 (85 Stat. 310); the Military Selective Service Act of 1967 (85 Stat. 348). An amendment to sec. 6, title 35 U.S.C. (85 Stat. 364) expanded the duties of the Commissioner to carry on studies and programs regarding domestic patent and trademark law, in cooperation with foreign patent offices and international organizations.

The Export-Import Finance Act of 1971 (85 Stat. 345) amended the Export-Import Bank Act of 1945 to increase the participation of private business in foreign commerce and to expand the volume of domestic exports. To this effect the amendments increased export credits of the Bank as well as ceilings on special guarantee and insurance programs; freed the Bank from certain budgetary restraints; permitted credits to East-West trade; eliminated certain Federal Reserve's foreign credit restraints in regard to foreign credit; and authorized the sale of Bank's debentures and other obligations to mature after the expiration of the Export-Import Bank. The amendments also set two new policy directives: one authorizing the Bank to extend financing at rates and on terms competitive with those offered from foreign governmental sources; and the other, to grant small exporters and banks equal access to Bank's credits.

On September 14, 1971, the United States ratified the Convention for the Suppression of Unlawful Seizure of Aircraft (Hague, 1970). An amendment to the Air Transport Agreement with the Dominican Republic (1946) was signed.

*Editor's Note:* A survey of all significant legislation relating to transnational business transactions approved during the 91st Congress, Second Session (January 19, 1970 to January 2, 1971) is found in Georgetown's *Law and Policy in International Business*, Vol. 3 No. 3, 1971.

### Puerto Rico

The Dealers' Contract Law enacted in 1964 (No. 75) provides that these contracts are renewable at the option of the dealer unless the principal has a just cause to terminate it. Section 1(d) of the law defines such just causes as non-performance of any essential obligation arising from the contract on the part of the dealer, or any act or omission on his part which adversely and substantially affects the interests of the principal in promoting the marketing of the merchandise or service. Termination for any other reason makes the principal liable for damages. A recently enacted Law No. 17(1971) provides for temporary measures which may be granted by the court in a lawsuit related directly or indirectly to a dealer's contract.

A North-South Center for Technical and Cultural Interchange was created by Law No. 92 (1971) which defines its functions, powers and obligations. It shall take over the personnel and assets of the Caribbean Development Corporation. The Center shall encourage economic development of Latin America through the establishment of an Institute of Economic Modernization; an Institute of Social Technology, including an Office of Technology and Environmental Quality; a Human Resources Institute; and the development of a Puerto Rican Forum.

Art. 635 of the Code of Civil Procedure was amended by Law No. 1 (1971).

In the area of family law two amendments may be mentioned. One (Law No. 4, 1971) authorizes the Secretary of Health to provide for notes on the original marriage certificates in the archives of the civil registry or in the demographic register, divorce and separation decrees, not only domestic and those rendered in courts of the United States but also those from foreign courts "with proper jurisdiction." A new divorce ground was added by Law No. 11 (1971), namely an uninterrupted separation for more than two years.

A number of amendments have affected the Criminal Code. Law No. 63 (1971) amended art. 62 dealing with conspiracy, and Law No. 3 (1971), amending art. 77 and 78, with arson and explosives, in conjunction with the law regarding explosives, enacted in 1969. Art. 283 of the Code, dealing with pornography, was amended by Law No. 108 (1971). The Criminal Code also includes rules regarding the closing of business establishments; some of the pertinent provisions have been amended by Laws No. 83, 105, and 121 (1971).



The Code of Criminal Procedure was amended by Law No. 61 (1971) denying suspended sentence for delicts involving explosives; Law No. 62 (1971) deals with bond in habeas corpus proceedings.

The Commission to Combat Crime will continue (Resolution No. 6, 1971); an interdepartmental committee against organized crime was set up (Law No. 46 (1971)).

In the field of labor law the following enactments may be listed. Law No. 33 (1971) provides financial means for travel abroad of unions' representatives; agricultural workers will receive an annual bonus (Law No. 42, 1971); social security was expanded to include professional drivers of motorcars (Law No. 48, 1971); the law dealing with safety at work enacted in 1956, was amended (Law No. 85, 1971) as was the law of 1956 dealing with minimum wages (Law No. 75, 1971).

*Agricultural legislation dealt with a number of matters: development in Law No. 53 (1971); harmful animals in Law No. 57 (1971); agricultural credit in Law No. 77 (1971); the movement of Future Farmers of America is aided by Law No. 57 (1971).*

Modernization of hospitals is reflected in amendments to the law enacted in 1968 (Law No. 76, 1971); a new Center of San Juan was established by Law No. 81 (1971).

Consumer protection legislation concerned small loans (Law No. 39 and 47, 1971); Law No. 96 (1971) provides that the debtor must receive a copy of his IOU and of any other related document. Quality of poultry shall be guaranteed by an extensive enactment (Law No. 10, 1971). Warranties accompanying home appliances must include Puerto Rico (Law No. 93, 1971); sales contracts must be separate from others, e.g. warranty; service contracts must remain optional and no pressure or any other kind of influence may be used (Law No. 95, 1971). Class actions are available to consumers under Law No. 118 (1971).

The issuing, mailing or distribution of credit cards without request on the part of the prospective holder is prohibited, except in cases of renewals. Liability for unauthorized use of such cards is limited to \$50; no liability is imposed in regard to an unaccepted card (Law No. 94, 1971).

Contracts involving option and purchase of homes are regulated by Law No. 100 (1971), amending the Law of 1967 regarding the Building Office (No. 130).

Foreign banks (outside the United States) are regulated by Law No. 124 (1971), amending the Banking Law of 1933 (art. 14, 17, 38 and 39).

Narcotics have been regulated by an extensive enactment (No. 4, 1971).

## URUGUAY

Immediately after the Legislature voted to revoke Emergency Security Measures imposed by Decree No. 289 (1969) and others affecting constitutional guarantees, the Government reimposed such measures by Decree No. 437 (1971) in view of increasing terrorist activities. The Government also prohibited importation of subversive materials from totalitarian countries.

The Council of Ministers approved the budget for 1971 regarding public investments (Decree No. 321, 1971). A commission was set up to study a reform of the customs system (Resolution No. 1.005, 1971). The Ministry of Public Works approved a loan from the International Development Bank (Law No. 13.966, 1971).

Decree No. 344 (1971) requires domestic and foreign banks to increase their minimum capital. The highest minimum applies to foreign banks and domestic banks with more than 50% of operations in foreign currency; a lesser capital is required for domestic banks with less than 50% foreign currency operations and even less for banks operating exclusively in domestic currency. The lowest capital requirements are for banking houses (*casas bancarias*) and for small banking institutions called *cajas populares*. Additional requirements depend on the number of offices open to the public. The decree also sets the maximum permitted investment (40%) in fixed assets by foreign banks.

The law on transplants was promulgated on August 18, 1971. It provides that any adult in a public or private institution offering assistance may declare his consent or opposition to the use of his body after death for scientific research or transplants. Such declaration must be made in the presence of a physician of the respective institution, be signed by the patient and the physician and filed in a register. In case the inmate dies without making a declaration, it may be made by his relatives. The law also provides analogous provisions for persons outside of institutions.

Law No. 13.981 (1971) ordered the Bank of Uruguay to refinance loans made to small businessmen (farmers, industrialists, merchants) by private lenders, including institutions, whenever such loans become due within 180 days and would cause a reduction of the debtors working capital.

A study committee was established (Decree No. 333, 1971) to explore the effects of the Montevideo Treaty (ALALC) on the domestic economy.

The Ministry of Education and Culture has issued (Decree No. 317, 1971), regulations to control the use of stimulants by competing athletes.

A treaty on scientific and technical cooperation with Bulgaria was approved (Resolution No. 846, 1971); also a compact with the United States regarding ham radio operations (Resolution No. 845, 1971).

### VENEZUELA

By law (G. O. No. 29.594, 1971) the State has "for reasons of national interest" reserved for itself the industry of gas emanating from oil fields (art. 1). The industry will be entrusted to the executive branch of the government and operated through the *Corporación Venezolana del Petróleo* (art. 2). Oil concessioners will deliver produced gas to the State under conditions to be set (art. 3), against the payment of the costs of extraction, compression and delivery (art. 7). In case the State decides to take over these operations, it will pay compensation in the amount of the non-depreciated costs of the installations and equipment or their market value (*rescate*) if it is lower; the payment may be deferred indefinitely, but not for more than ten years or may be effectuated by bonds adequately guaranteed which must be accepted (art. 7). The executive branch has authority to inspect and control all work involving gas (art. 9). Violation of the law will be punished by fines (art. 10), as will be any unauthorized sale or other disposition of gas which also will be confiscated (art. 11).

Within the Ministry of Mines and Oil a *Dirección de Coordinación, Inspección y Control de los Bienes Afectos a Reversión* (3 *Law. Am.* 559, 1971) has been established (G. O. No. 29.625, 1971).

The law establishing the *Corporación de los Andes* to develop the Andean region of the Republic was amended (G. O. No. 29.623, 1971).

The law of universities has been implemented by a partial regulation dealing with reorganization, elections and particularly with the *Consejo Nacional de Universidades* (G. O. No. 29.599, 1971). A commission to draft a law dealing with higher education was established (G. O. No. 29.601, 1971).

The new international airport of Maiquetía will be administered by the *Instituto Aeropuerto Internacional* (G. O. 29.585, 1971).

The basic law on identification (G. O. No. 29.594, 1971) makes it obligatory on nationals and aliens to have a document of identification. Aliens must secure such document whenever they are permitted to stay in the country for more than six months, excluding tourists or persons subject to treaties and persons with diplomatic privileges (art. 11). Aliens must renew their documents every five years (art. 14). The National Office of Identification within the Ministry of Interior is charged with the administration of law (art. 16), in cooperation with the *Consejo Superior Electoral* (art. 21).

The law establishing the National Sports Institute has been implemented by a regulation (G. O. No. 29.625, 1971).

Maximum prices for foods have been set by the Ministry of Development (Decree No. 5.763, G.O. No. 29.682, 1971).

A Commission against the Misuse of Drugs has been created at the presidency (G. O. No. 29.599, 1971).

A study commission has been set up to study collection and distribution of human blood (G. O. No. 29.632, 1971). Another commission (G. O. No. 29.645, 1971) shall study the establishment of a national health service.

The Hydrocarbons Reversion Act (3 *Law. Am.* 559, 1971) appears translated in *Int'l. Leg. Mat.* 1073 (1971).

*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.*