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INTER-AMERICAN LEGAL DEVELOPMENTS

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ARGENTINA

Resolution 976(T) (1976) set forth the norms for the listing of foreign correspondents in the National Newspaperman's Registry.

A Ministry of Planning was established by Law 21,431 (1976) and Decree 2346 (1976) set forth the organization of the Subsecretariat of Fisheries under the Secretariat of Maritime Affairs.

Law 21,495 (1977) permits private banks free disposal of deposits under normal banking regulations and releases them from a prior restriction to act as agents for the Central Bank.

Law 21,499 (1977) regulates the constitutional right of the State to expropriate private property for public use. Highlights from the legislative enactment follow: (a) *Public use*. — Comprises all cases seeking to attain the material or spiritual welfare of the nation; (b) *Property subject to expropriation*. — Includes the subsoil, independently of ownership of the land. In cases of partial expropriation, the evicted owner has the right to demand total expropriation should the portion of the property not subject to expropriation be rendered inadequate for its rational use or exploitation; (c) *Compensation*. — Payment shall be in cash and shall cover the value of the property, damages resulting directly or indirectly from the expropriation, depreciation and interest. Excludes loss of profits; (d) *Retrocession*. — Grants the evicted owner the right to recover the property should the latter be put to a different use than that specified in the expropriation law or should it remain unused for a period of two years; (e) *Abnormal temporary occupancy*. — Confers upon the State the right to make use of a property in the interest of the public in cases of

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urgent need to be determined by the administrative power. The taking shall not exceed the time strictly necessary to fulfill the public need; (f) *Normal temporary occupancy*. — Covers the use of property by the State on a temporary basis, for a maximum period of two years, after it is legally determined that public use stems from a normal and not an imminent need, and with compensation for the use and damages.

The Minister of Economy was given authority under Law 21.514 (1977) to contract with private foreign companies, for a period not to exceed one year, for the exploitation of the living resources of Argentine waters south of the 40th parallel. At the end of the year, foreign companies parties to the contracts will receive preferential treatment if they choose to seek a more permanent arrangement under the Foreign Investment Law.

A National Aeronautical Police Force, under the Argentine Air Force, was created by Law 21.521 (1977) to serve as a security force with respect to aircraft, airports, and all other places which carry out aeronautical activities.

A new Financial Entities Law (No. 21.526, 1977) superseded Law 18.061 (1974). The new law covers in detail the new regime for lending institutions in the nation. It improves, to some extent, the operating conditions of foreign-owned companies but foreign investment in the financial sector remains somewhat restricted. A primary objective of the law is to eliminate small, under-capitalized institutions and to introduce a much needed measure of stability in the financial sector.

Decree 283 (1977) regulates Law 21.382 (1976), the Foreign Investment Law. The regulations are in tune with the liberal tenor of the basic legislation and clarify some of its provisions. Foreign investors require executive branch approval in the following sectors: public services, media, financial entities, education and energy, steel, petrochemicals, mining, aluminum production, defense and national security, among others. Approval is also required for foreign acquisition of shares of Argentine companies. The Regulations also provide that: an office under the Secretary of State for Economic Programming and Coordination in the Ministry of Economy will handle all investment applications; all foreign investments must be registered with the Central Bank; the right to repatriate capital and remit profits is guaranteed; investments over \$5 million (U.S.) require special approval. The regulation is extensive and, together with Law 21.382, evidences Argentina's present intention to wel-

come foreign capital. Decree 627 (1977) abrogated Decree 2253 (1976), which suspended provisionally the right to remit profits and repatriate capital (8 *Law. Am.* 128, 1977).

Decree 391 (1977) established the Council of National University Presidents to counsel the Ministry of Culture and Education on matters relating to the national university system.

Law 21.541 (1977) establishes norms for the transplant of body organs from human beings and cadavers to living persons.

The Corporation for the Development of Small and Medium Businesses established by Law 20.568 (1974) was abolished by Law 21.542 (1977) on the grounds that the Corporation had failed to achieve its stated objectives and that its functions overlapped those of other existing governmental entities.

Law 21.544 (1977) calls for substitution of the designation "Brussels Customs Nomenclature" by "Nomenclature of the Customs Cooperation Council" in all pertinent Argentine legislation and international agreements.

Internationally, the following are noted: bilateral agreements with (1) Peru on tourism, and scientific and technological cooperation; (2) Chile on terrestrial transport; (3) German Democratic Republic on commercial matters; (4) Peoples Republic of China on commercial matters, including the establishment of a Mixed Commission; and (5) Spain on economic cooperation. Additionally, Argentina signed a protocol to its present commercial agreement with Poland, approved SELA's charter and accepted the Convention for the Prevention of the Sea by Oil. Of special interest was the agreement concluded with Peru, under which Argentina undertook to build a research nuclear reactor in Peru and to train Peruvian scientists in nuclear technology for peaceful uses. Also worthy of note was the Memorandum of Understanding reached with Brazil in early February. The purpose of the talks which led to the Memorandum was to eliminate some of the obstacles to trade between the two countries, which included overcrowded ports, varying freight charges, slowness in issuance of permits and licenses, and deposits on imports.

BOLIVIA

Decree Law (DL) 13592 (1976) requires both public and private employers to submit, on a quarterly basis, a copy of their respective pay-

rolls to the Ministry of Labor, in order to give the latter an added factor in determining the labor situation in the country.

DL 13630 (1976) approved the Economic and Social Development Plan 1976-1980 and DL 13659 (1976) called for an economic and agricultural census.

The regulations governing the relations between the public sector and consulting firms were set forth in DL 13964 (1976).

Supreme Decree (DS) 14069 (1976) establishes the Subsecretariat of Maritime Affairs in the Ministry of Foreign Relations, and DS 14090 (1976) made other changes in the organizational structure of the Ministry.

DL 14100 (1976) promulgates the law governing the National System of Statistical Information.

The organizational structure of the Bolivian Development Corporation was modified by DS 14299 (1976).

DL 14322 (1977) established that public officials may not serve on the Board of Directors of more than one public or mixed company. The decree also limits the number of directors in public and mixed companies to a maximum of seven.

DL 14660 (1977) provided for the re-evaluation of fixed assets for private and mixed companies, banks and financial entities, insurance companies and cooperatives as an incentive to investment.

Bolivia's Mining Corporation (Comibol) and four USSR governmental entities entered into a contract early in 1977 under which the former agreed to purchase \$1.6 million of mining machinery.

Internationally, Bolivia, among other actions, ratified the International Coffee Agreement (1976); it also concluded a technical and scientific corporation agreement with Ecuador.

Concerning Bolivia's aspirations for an outlet to the sea, that nation has made a counteroffer to the governments of Chile and Perú which modifies substantially the terms under which Bolivia would have access to the Pacific (9 *Law. Am.* 129, 1977). Under the terms of the counterproposal, compensation required by Chile for the cession of Chilean territory would be eliminated. Further, the counteroffer calls for a change in Perú's stand regarding the creation of a territorial zone of tripartite sov-

ereignty. Neither Chile nor Perú had answered Bolivia's request as of May 1. However, Bolivia appointed a "special coordinator" to travel between La Paz and Santiago to expedite negotiations.

BRAZIL

Law 6.367 (1976) deals with labor accident insurance to be provided by the Ministry of Social Security. The new provisions include the creation of a special fund to finance the purchase of accident prevention equipment and the alteration of the criterion for the contribution to be made by employers.

Decree-Law (DL) 1.485 (1976) permits the establishment of tax-free shops in Brazil. These shops will sell Brazilian products with IPI tax exemption only to foreign tourists in transit in the country. Authorization to operate a tax-free shop will be granted to establishments of good standing and financial condition. Payment shall be made with travelers checks in convertible foreign exchange, or in some other equivalent form to be determined by the Minister of Finance.

The provisions of DL 1.439/75 granting incentives to national tourism in the form of a 70% reduction in income tax for investment in tourism projects have been supplemented by Decree 78.379 (1976). The reduction will apply to companies that invest in the construction or expansion of hotels, tourist restaurants or tourist undertakings.

The National Department of Mineral Production issued *Portaria* 146/76 determining that every company organized as a mining company shall submit, within 90 days after the publication of the *Portaria*, a list indicating the partners or shareholders of the company with their participation in its capital stock, the names of the directors and managers, and a list of the subsidiary firms.

Regulations for the securities market and the creation of a Securities Commission are found in Law 6.385 (1976), which specifically controls the following activities: (a) the issue and distribution of securities in the market; (b) the negotiation and brokerage in the securities market; (c) the organization, functioning and operation of the stock exchanges; (d) the administration of portfolios and the custody of securities; (e) the audit of publicly-held companies; and (f) the services of securities consultants and analysts.

A ruling has been issued establishing that industrial, commercial and/or service companies, subject to price control, are now obliged to forward their price lists to the Interministerial Price Commission (CIP), in accordance with the terms and conditions determined in the new ruling. The lists shall be forwarded to CIP with respect to each price adjustment at most, thirty days after the date of issue of the CIP document approving the new prices (Resolution 53-E/76 of the Interministerial Price Commission).

The President sanctioned the project dealing with *sociedades anónimas*. The new company law, Law 6.404, of December 15, 1976, which became effective February 17, 1977 replaced DL 2627, of September 26, 1940.

Resolution No. 401/76 of the Central Bank regulates Art. 254 of the Company Law. According to the Resolution, the control of an open capital company may be sold only under the condition that the purchaser undertakes to offer to the public the voting shares held by the other shareholders of the company in order to assure them the same treatment afforded to the controlling shareholder.

The Federal Government has established the following restrictions on the use of fuel oil in Brazil:

(a) as of a date to be established by the National Oil Council, the acquisition of gasoline, diesel and fuel oil will be subject to the deposit, by the consumers, of an amount equivalent to 50% of the final sales price. These deposits will represent a temporary financial burden for the consumer and will not be incorporated into the income of the Federal Government. The amounts deposited will be reimbursed to the consumer after a period of 730 days, but without interest nor monetary correction (DL 1.520, 1977);

(b) an Executive Group for the Rationalization of Oil Consumption has been created to coordinate the implementation of the main restrictions on the use of fuel (Decree 79.135 1977);

(c) the use of railways and shipping has become compulsory for the transportation of cargo of governmental departments and agencies of direct or indirect administration and of federal institutions, except in specified cases (Decree 132, 1977).

(d) diesel engine vehicles may not be used if their engines are subject to irregularities as a result of the changes introduced in the injection system (Decree 79.134 1977);

(e) the adoption of measures in all fields of business to permit the reduction of the consumption of all oil derivatives has been stated to be of relevant national interest (Decree 79.133 1977); and

(f) gas stations will be obliged to close on Sundays and holidays, on Saturdays from 7 P.M. to midnight, and on weekdays from 11 P.M. to 6 A.M. of the following day, except in the case of activities not related to the automobile field (Decree 79.148, 1977).

A Commission has been created for the Coordination of the Rescheduling of Commercial, Industrial and Other Work Hours. This Commission will (a) adopt measures to reschedule production work hours in order to save fuel and electricity; (b) adopt measures to reschedule work hours in order to improve city traffic; (c) coordinate these measures with the Federal, State and Municipal authorities and with the entities representing Production, Workers and Federal, State and Municipal Utility Services; and (d) follow up the application of these measures and evaluate their results (Decree No. 79.149, 1977).

The Foreign Trade Department of the *Banco do Brasil* (CACEX) issued a list of products for which no import licenses may be issued until December 31, 1977. This suspension will not apply to imports (a) fully intended for export or re-export with the prior approval of CACEX; (b) under the draw-back ruling, when approved by CACEX; (c) originating and shipped from LAFTA countries when included in the National List of Brazil or in the lists of special concessions for Bolivia, Ecuador, Paraguay and Uruguay, or when covered by special concessions under LAFTA Industrial Supplementation Agreements signed by Brazil; (d) of products not produced in Brazil, when the import is of interest to the Brazilian export policy as determined by CACEX. CKD imports of parts and components for goods that may not be imported will not be permitted. Imports of machinery, equipment, appliances, instruments, tools and utensils may be refused by CACEX regardless of whether such goods are produced in Brazil, if intended for non-priority fields of business and/or for production of non-essential goods, except in cases of approval by federal development agencies (CACEX Communication No. 574, 1977).

The Central Bank issued Resolution No. 398/76 to establish a financing program for export production. The program provides export producers with funds when their field of business or products has been approved by CACEX. Circular Letter No. 322/76 was issued to regulate the application of the Resolution by establishing that the financing will only be granted to export producers who present a Certification of Qualification issued by CACEX.

The following jurisprudence is noted:

(A) Federal Supreme Court — (1) Law No. 3.244/57, the Tariff Law, did not revoke the exemption granted by Article 71 of the Mining Code (Decree-Law No. 1.985/40) for equipment imported by mining companies to extract and process minerals. (Extraordinary Appeal No. 66.504); (2) Interest remitted abroad to meet obligations assumed under a loan agreement will be subject to income tax (Appeal No. 68.804); (3) Income Tax will not be withheld on a remittance to pay technical services abroad by a foreign company which does not operate in Brazil (Extraordinary Appeal No. 81.266).

(B) Council of Taxpayers — Persons employed abroad, who are either rendering services to their employers or undergoing a training period, may deduct from their "Schedule C" income the portion of their income received as compensation, in addition to their salary, for their traveling and living expenses, necessary by reasons of their stay abroad (Appeal No. 29.582).

In the international area, Brazil deposited ratification to International Coffee Agreement (1976) and to the Protocol modifying and further extending the Wheat Trade Convention (1971). Brazil's firm insistence to follow through on its nuclear reactor agreement with West Germany, in spite of U.S. views on the subject, is also worthy of note.

CANADA

The following among others, were proclaimed to come into force: Criminal Law Amendment Act; Unfair Trade Practices Amendment Act; Aeronautics Amendment Act; and Citizenship Act; *British Columbia*. — Companies Amendment Act; Legal Professions Amendment Act; Anti-Inflation Measures Act; Government Reorganization Act, 1976; Land Amendment Act; Mineral Amendment Act; Petroleum and Natural Gas Amendment Act; Pollution Control Amendment Act; Constitution

ment Act; *Manitoba*. — Corporations Act; Labor Relations Amendment Act; Human Rights Amendment Act; Securities Amendment Act; and Trade Practices Inquiry Amendment Act; *New Brunswick*. — Commerce and Development Act; Oil and Natural Gas Act; and Pipeline Act; *Newfoundland*. — Canada Development Corporation Act; *Ontario*. — Anti-Inflation Agreement Act; Judicial Review Procedure Amendment Act; Corporations Tax Amendment Act; and Juries Act; *Prince Edward Island*. — Cooperative Associations Act; and Oil, Natural Gas and Minerals Amendment Act; *Quebec*. — Crime Victims Compensation Amendment Act; and Land Transfer Duties Act; *Saskatchewan*. — Coal Conservation Act; Fuel Petroleum Products Amendment Act; Ombudsman Amendment Act; and Transportation Act.

Of the above, the Citizenship Act merits special mention. Under the new legislation citizens of Canada have ceased to be British subjects and have become citizens of the Commonwealth without affecting, of course, their Canadian nationality. The Canadian link with the British Crown remains undisturbed, i.e., The Queen of England is still Queen of Canada with formal powers delegated to a Governor General chosen by the Canadian Government.

Internationally the following is noted: Canada entered into agreements with the United States re: (1) mapping, charting and geodesy, and (2) nuclear information. Further, it ratified the 1976 Protocol to the Convention on Conservation of North Pacific fur seals, and approved the International Coffee Agreement (1976). Lastly, it concluded a fishing agreement with Cuba with respect to Canada's 200 mile fisheries zone.

CARIBBEAN

ANTIGUA

In the report at 8 *Law. Am.* 412 (1976), there was an expression of bewilderment with respect to what type of legislative measures the then newly elected Government of Antigua would take. The speculations expressed therein have been realised. One of the early legislative measures of the Vere Bird administration in Antigua was to amend the Labour Code in one material particular. The Code had made provisions for agency shop (Antigua Labour Code Act, 1975 s. J13(2)). This conforms with the Walter administration's policy that workers ought to pay for the repre-

sensation they get from the trade union in a bargaining unit whether or not they belong to the Union. Those who are members pay membership fees while non-members pay what the Code calls a "service fee." (See also previous legislation to that effect—Protection of Wages (Amendment) Act, 1971). With the enactment of the Antigua Labour Code (Amendment) Act, 1976 (No. 3 of 1976) all provisions relating to the agency shop have now been deleted from the Code thus reverting to the situation akin to that enacted in the Protection of Wages Act, 1970.

The next major labour policy conflict between the two administrations is the question of the type of machinery to be established for the settlement of labour disputes. The Industrial Court Act, 1976 (No. 4 of 1976) establishes an Industrial Court in Antigua (*cf.* Antigua Trade Disputes (Arbitration and Settlement) Ordinance, 1967), for the purposes of: (i) hearing and determination of trade disputes; (ii) enjoining a trade union or other organization of employers from taking or continuing industrial action; (iii) hearing and determination of any complaints brought in accordance with the Act as well as such matters as may from time to time be referred to it under the Act (s. 7(1)). The powers and composition of the Antigua Industrial Court are very closely modeled after the Trinidad & Tobago Industrial Court pattern. The Court is to be headed by a lawyer of considerable experience and it is understood that Mr. P.C. Lewis, a retired Justice of Appeal of the W.I.A.S. Court of Appeal, has been appointed President of the Industrial Court of Antigua. On the Court's powers, attention is particularly called to s.10 which should be compared with s.10 of the Trinidad & Tobago Industrial Relations Act, 1972. Like the Industrial Court of Trinidad & Tobago, the Antigua Court can order reinstatement of a dismissed worker or payment of exemplary compensation in lieu thereof (s.10(4)). Such power can be exercised where the Court finds that the "employee has been dismissed in circumstances that are harsh and oppressive or not in accordance with the principles of good industrial relations practice." (s.10(5)). The President has the power to make the rules of procedure for the Court. Such a rule can be seen in Statutory Rules and Orders No. 24 of 1976 as amended by Statutory Rules and Orders No. 6 of 1977. The Act also stipulates strikes and lockout procedures as well as regulating trade dispute procedure. It means that ss. B5(2); B6; K14 and K15 of the Labour Code are affected. S.19(6) of the Industrial Court Act provides that

"Where a trade dispute is referred to the Court . . .

- (a) the voluntary adjustment or settlement of that dispute;
- (b) private negotiations or any other means of resolving issues between the parties to that dispute;
- (c) prosecution for the commission of any offence in connection with that dispute;
- (d) references to the Minister, the Labour Commissioner, a decisional officer or an Arbitration Tribunal of any matter or thing relative to that trade dispute;

shall forthwith cease to have effect for all the purposes of that trade dispute."

Part IV of the Act deals with the duration and enforcement of the Court's awards.

TRINIDAD AND TOBAGO

Roughly three months before the General Elections of September 1976, the Parliament of Trinidad & Tobago enacted the long awaited Minimum Wages Act. Act No. 35 of 1976 deals with minimum wages and terms and conditions of employment. It was, however, only recently that the Minimum Wages Board was set up under the chairmanship of a legal practitioner. Apart from the Chairman, the board consists of seven members. Workers and employers' associations are both represented by one member respectively, while one member represents the Government (s.5). The other members are presumably appointed through the sole judgment of the Minister of Labour. The essential function of the Board is advisory. It is intended to advise and make recommendations to the Minister of Labour on all matters relating to the fixing of wages and conditions of service of workers (s.6). It must be noted that the Board cannot of its own volition advise the Minister or make recommendations to him regarding the fixing of wages or any such employment terms as it may consider necessary; it can only do so if the Minister refers the matter to it. The Minister's own referral power arises from the existence of two circumstances: (i) where in his opinion it is necessary to fix or vary the terms of service of the workers because there is no machinery for the effective regulation of the remuneration or terms and conditions of those workers; or (ii) the existing machinery is not adequate or is

likely to cease to be adequate for that purpose (s.11). The Board is to be guided by the following statutory considerations in its preparation of its recommendation to the Minister:

- (a) The general level of wages in the country;
- (b) the cost of living;
- (c) contributions payable and benefits provided under the system of national insurance;
- (d) other economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining high levels of employment (s.14).

The Minister is under no obligation to accept the Board's recommendations. He has power to accept or reject the same (s.15). In the final analysis, the Minister has the power to make a Minimum Wage Order (s.18) which obliges the employer to pay to the workers concerned remuneration not less than the "statutory minimum remuneration". Nor is the employer free, after the Order has been made, to apply to the worker less favourable terms and conditions of service than those prescribed in the Order. It is interesting to note that the obligation of the employer extends to remuneration, terms and conditions that are even stipulated in a collective agreement (s.19(1)). It follows, therefore, that the terms of the collective agreement may be varied by the Order where the agreement contains less favourable terms. The terms of the agreement will otherwise not be affected if those terms are more favourable to the worker than those in the Order (s.19(2)). The employer is expected to keep a record which will show whether or not he complies with the Order (s.20), and such record shall be available for inspection at the instance of the Minister or an "authorised officer." (ss.21-22). Penalty for contravention of a Minimum Wage Order is stipulated in s.24(1), and s.24(2) stipulates who is liable in the case where the employer is a corporate body. The worker is also protected from victimization arising from the employer's being prosecuted for breach of an Order for the information the worker may have given (s.26(1)).

The Constitution (Prescribed Matters) Act (1977) was passed on March 1, 1977 to give effect to s.111 of the Republican Constitution of Trinidad & Tobago (1976) which had empowered the Judicial and Legal Service Commission to make appointments, promotions and transfers and

to exercise disciplinary control over judicial officers. The Constitution Prescribed Matters) Act has merely indicated the offices in the Public Service to which s.111 applies. The Schedule to this Act provides this list. A notably new office which is listed in the Schedule is that of the Director of Public Prosecutions. This office arises for the first time in Trinidad & Tobago by virtue of s.90(2) of the 1976 Constitution. The powers attached to this office are outlined in subsection 3 of s.90. The procedure for the appointment to this office, like those of a few other higher legal offices of the Public Service, is stated in s.111(2) of the Constitution. Before such an officer is appointed, the Judicial and Legal Service Commission "shall consult with" the Prime Minister. S.111(3) went even further to say that "a person shall not be appointed to any such office if the Prime Minister signifies to the Judicial and Legal Service Commission his objection to the appointment of that person to that office." This very clause generated stiff criticism from the Opposition in the recent Parliamentary Debate on the Office of the Director of Public Prosecutions. It is also remarkable to note that the appointment of the Ombudsman — the other important institution established by the 1976 Constitution — does not follow similar procedure and is not subject to vote by the Prime Minister. The appointment to that office follows the regular procedure whereby the President makes the appointment after consultation with the Prime Minister and the Leader of the Opposition. It is generally understood in Trinidad & Tobago that such an appointment will be made soon.

Notwithstanding that the Caribbean is surrounded by water, very low priority is given to regulation of maritime activities. Maritime law is hardly conceived of as part of the general law in these parts. This accounts for the absence of shipping laws of various types. It would appear, however, that this oversight has engaged the attention of the Law Commission of Trinidad & Tobago. The Law Commission has published its Working Paper No. 4 with a draft Bill proposing an amendment to the Marine Insurance Law. The Marine Insurance Bill seeks to cast aside the Marine Insurance Act, 1959, Cap. 711 of the Laws of the West Indies Federation which continues to apply to Trinidad & Tobago by virtue of the West Indies (Dissolution and Interim Commissioner) Order in Council, 1962.

The provisions of the draft Marine Insurance Bill are essentially similar to the U.K. provisions contained in the Marine Insurance Act, 1906. The Commission even retained the definition of "ship," in the Schedule to the U.K. Act on the Rules for Construction of Policy, not-

withstanding their recognition that "there are many vessels in Trinidad & Tobago which convey persons or goods to and from other West Indian islands on a commercial basis or simply for pleasure." These vessels and the various marine rigs used by oil companies to drill off-shore oil are not covered by the traditional definition of ship and, since they are marine vessels and engage in marine activities and transport, they must be covered by marine insurance law whether they are defined as ships or any other vessel used in transporting persons, goods or engaged in any other marine activity. Indeed there is no reason why these rigs cannot be defined by themselves and covered expressly by the Act. It is submitted that no meaningful reform of the Marine Insurance law could be effected without including in the legislation these vessels which do not fall within the traditional definition of ship. The essence of law reform is to bring the law in line with the realities of any given place. Whatever may have been the provisions of the India Act, U.K. Act or any other Act, the Marine Insurance Act of Trinidad & Tobago must adequately deal with problems of marine navigation in Trinidad & Tobago waters. Nonetheless, the draft Marine Insurance Bill is very closely identical in its provisions with the U.K. Marine Insurance Act, 1906.

CHILE

Supreme Decree 742 (1976) requires that any public entity or any entity in which State ownership exceeds 50% must obtain prior approval from the Ministry of the Treasury before pledging its credit. The Central Bank, State banks and commercial banks are not affected and neither are certain operations where the credit period does not exceed one year.

Any person, natural or juridical, requiring financing from the World Bank, the Inter American Bank, the Agency for International Development or any other public international entity must channel the request through a Committee named to handle such requests. The Committee will forward it to the Minister of the Treasury who, in turn, will submit it to the President for sponsorship. (Supreme Decree (DS) 743 (1976)).

A free zone was established at Arica for the electronic, metalworks and chemical industries under DL 1.611 (1976). This decree was subsequently clarified by DL 1.698 (1977).

DL 1.626 (1976) established, within the Ministry of Economy, Development and Reconstruction, the Fisheries Subsecretariat, and DL

1.627 (1976) extended the effective dates of Decree 266 (1960) and DL 500 (1974) to December 31, 1977. The last two decrees dealt with certain exemptions, and the operations of foreign fishing vessels in Chilean waters, respectively.

DL 1.638 (1976) was an attempt by the Government to bring some order into the regime of the *financieras*, badly shaken up late in the year when a number of these financial institutions went into bankruptcy. The decree fixed minimum capital requirements, set drastic sanctions for fraudulent financial manipulations and dealings in the black market, placed Savings and Loan Associations under closer supervision by the Central Bank, and authorized banks to open savings accounts for housing. Subsequent regulations, effective March 1, 1977, tightened still further governmental supervision on *financieras*.

Local legislative action to confirm Chile's withdrawal from the Andean Pact (9 *Law. Am.* 135, 1977) is found in DL 1.641 (1977), which created a Commission to determine the status of the rights and obligations derived from the Andean Pact, and in DL 1.642 (1977), which abrogated all legal measures relating to the Pact, with certain exceptions, e.g., double taxation and international transport.

DL 1.682 (1977) streamlined the procedures in the Military Judicial Code.

Monetary Council Accord of Jan. 27, 1977 regulated *la intermediación monetaria* (brokerage). A subsequent Accord of March 26, 1977 amplified the above.

A new compendium of export regulations was issued by the Central Bank on February 2, and five days later the Bank issued a number of new norms relating to imports. Additional export regulations were issued on March 12, 1977.

DS 174 (1977) (Ministry of Interior) makes minor modifications to the present regulations concerning the issuance of visas.

DL 1.687 (1977) provides for the appointment of a provisional administrator for business associations in extreme financial difficulties, or which are lacking management for any reason whatsoever. The request for the administrator may be made by any creditor, the business itself, the Superintendency of Corporations, or in special cases the Banking Superintendency.

DL 1.689 (1977) suspended the effectiveness of *Actas Constitucionales* No. 3 (individual guarantees) and No. 4 (emergency regimes). See 9 *Law. Am.* 134 (1977).

All political parties were dissolved by DL 1.697 (1977).

DL 1.748 (1977) amends DL 600, the Foreign Investment Law. The amendment, among other things, sets forth the different ways in which foreign investment may be made; fixes the rights and obligations of the investor; establishes the tax and customs regimes; and delineates the procedures to be followed and the functions of the Foreign Investment Committee. Foreign investors under DL 600 (1974) may remain under the terms of the original legislation or, within one year, may choose to be governed by DL 600, as amended.

The Central Bank added a chapter on foreign executed insurance contracts to its rules governing international exchange (March 21, 1977).

DS 193 (1977) abrogates DS 1.089 (1974) which granted Chileans returning to the country and aliens under contract certain customs exemptions.

The Supreme Court ruled (March 15, 1976) that a foreign judicial decision, to be valid in Chile, must not only be properly legalized, but there must also be evidence that all the formalities prescribed by foreign law for the issuance of public documents have been complied with.

Internationally, the following is noted: DS 644 (1976) promulgated the Interamerican Convention on Letters Rogatory, and DS 129 (Foreign Relations) (1977) the Convention for the Protection of Diplomats. Further, Chile acceded to the Convention on Liability for Damage Caused by Space Objects, and concluded a bilateral agreement with the U.S. regarding the sale of agricultural commodities.

The United Kingdom, arbiter in the Beagle Channel dispute between Argentina and Chile, has ratified the decision of an international tribunal which initially heard the parties on the subject. The special tribunal, composed of five members of the International Court of Justice, ruled that the islands of Picton, Lennox and Nueva, with their adjacent barren territories and rocks, belonged to Chile. The controversy dates from 1902. In 1971 the countries concerned agreed to submit the dispute to the special tribunal, and the arbiter's decision was announced on May 1, 1977. The Beagle Channel joins the Pacific and the Atlantic Oceans in the southernmost part of the American Continent.

COLOMBIA

Decree 2388 (1976) prohibits financial institutions and their affiliates from using private savings deposited with them to acquire any type of control over other enterprises. Responsibility for enforcement will be centralized in the Banking Superintendency and will be aided by a new five-member advisory commission. The maximum penalty for violation of the Decree is a fine equal to double the value of the illegal operation.

The National Executive submitted Bill 88 (1976) to the Congress on November 10, 1976. It is antimonopoly in nature and prevents entities under the Banking Superintendency's inspection from taking control of companies through the use of financial resources (other than savings) received from the public. The basic difference between Decree 2388 (1976) and Bill 88 (1976) is that the latter would prevent financial entities from using any funds they receive from the public, such as regular checking accounts, to gain control of other enterprises.

In accordance with Resolution 68 (1976) the exchange of the Bank of the Republic may register foreign investments, in addition to U.S. dollars, in the following currencies: German mark, Belgian franc, French franc, Italian lira, Danish crown, Dutch florin, English pound sterling, Swedish crown, Swiss franc, Japanese yen and Venezuelan bolivar.

Pursuant to Decree 2770 (1976), a freeze was placed on rentals for all urban real estate as of December 27, 1976. For purposes of the decree the applicable rental is the amount that the lessee was required to pay for the last rental period expiring prior to the date the decree became effective.

Decree 170 (1977) of the National Planning Department incorporated the changes to Decision 24 of the Cartagena Commission, adopted by the member governments pursuant to Decisions 103, 109 and 110.

The President, in accordance with Decree 106 (1977), issued regulations setting forth the requirements that must be met in order to perform services for, or sell goods to, government entities.

Failure to pay foreign obligations within the terms established by the Monetary Board will be subject to a fine equivalent to five percent of the value of the payment for each month payment is delayed per Decree 212 (1977).

A new profit remittance system was adopted for foreign investments in uranium mining pursuant to Resolution 21 (1976), and Resolution 23 (1976) established a new system for remitting profits and repatriation of capital for foreign investments in coal mining.

Resolution 6 (1977) increases the maximum amount of foreign currency holdings permitted to credit institutions established in the country to six percent of their liabilities.

Law 3 (1977) reorganized the nation's Civil Aeronautics regime, and Law 6 (1977) reorganized the Custom's Department Penal Jurisdiction. Law 5 (1977) established additional courts to deal with family matters, and Law 12 (1977) granted the President extraordinary powers to determine the structure, regime and organization of the Social Security System and its administrative agencies.

Decree 239 (1977) established a Special Fund to encourage the production of coffee, and Decree 460 (1977) established a special "Coffee Fund for National Development" in the *Banco de la República* to finance high priority projects in coffee growing zones.

Bolsas de Productos (Commodity Markets) were established by Decree 337 (1977), and Resolution 121/77 (Agriculture) established a National Sugar Commission as a consulting body to the Government.

The Educational Plan for the Study of Law is set forth in detail in Decree 0225 (1977).

ECUADOR

Supreme Decree (SD) 900-B (1976) authorized direct foreign investment in the economic sectors covered by Art. 40-43 of Decision 24 of the Cartagena Commission.

A Commercial Transactions and Services Tax Law was promulgated by DS 913-D(1976).

The National Security Law was regulated by DS 913-F (1976).

DS 1038-A (1976) (Protective Law for Foreign Representatives, Agents and Distributors) covers agency, distributorship and representation agreements concluded between foreigners and Ecuadorean nationals and business associations.

A general amnesty to citizens detained for political reasons was granted by DS 1015 (1976).

A Collusion Law (DS 1106, 1977) provides a special judicial proceeding for handling collusion cases.

Accord 016 (1977) imposes on public officials personal responsibility for failure to carry out public acts or for carrying these out improperly. The accord spells out the kinds of responsibility contemplated, the parties affected, and the procedures to be followed to determine what constitutes failure to act and improper conduct.

The Referendum Law (DS 1180, 1977) spells out the procedure to be followed to return the country to a constitutional regime.

Decision 109 of the Cartagena Agreement Commission relating to the proposed reforms to Decision 24 was incorporated into the latter by DS 1150 (1977); Decision 85 containing the regulation for the application of industrial property norms was made effective by DS 1251 (1977); and Decision 103 permitting profit remittances up to 20% of registered capital was made effective by Resolution 58 (1977).

DS 1173 (1977) promulgated a law covering the Administrative Regime of Oil Terminals. These are considered special ports and will be administered by *Superintendencias* with their own legal personalities, patrimonies and funds.

Internationally, commercial bilateral agreements were concluded with Guatemala, Portugal and the German Democratic Republic. Conclusion of other bilateral agreements is as follows: (1) loan Agreement with the United Kingdom; (2) adoption treaty with Sweden; (3) hydrological resources agreement with France; (4) industrialization of banana convention with Switzerland; (5) technical cooperation agreements with Bolivia and Spain; and (6) a cultural and scientific agreement with Israel. In the multilateral area, Ecuador (1) adhered to the International Convention on Civil Responsibility for Damages to the Oceans Caused by Hydrocarbon Products; (2) adhered to a convention relating to intervention on the high seas in case of accidents resulting in oil pollution; and (3) ratified the International Coffee Agreement (1976). Further, it approved the Lima Protocol to the Cartagena Agreement, and also signed a Joint Declaration creating the Andean-Chilean Mixed Commission to administer the application of Decisions 40, 46, 56, and 94 as they pertain to Chile and the Andean Group. Lastly, with respect to international

organizations, Ecuador (1) entered into a technical assistance agreement with the International Atomic Energy Agency; (2) concluded an agreement with CARE on mother-child care; and (3) agreed to cooperate with the Intergovernmental Committee on European Migrations.

EL SALVADOR

Legislative Decree 104 (1976) clarified Decree 58 (1976) relating to Art. 53 of the Income Tax Law, spelling out with particularity that the obligations imposed by Art. 53, paragraph 3, only affect business concerns whose accounting period ends October 31, 1976 or thereafter.

The Law Establishing the Salvadorean Development Institute was modified by Legislative Decree 163 (1976). The amendment permits the Institute to contract, without receiving bids, in special cases.

Legislative Decree 174 (1976) increases the annual bonus for workers through an amendment to the Labor Code, Art. 198.

Art. 68 of the Social Housing Fund Law (Decree 328, 1973) relating to the purchase of real estate by the Fund was clarified by Legislative Decree 180 (1977). The regulation of the Social Housing Fund Law was promulgated by Executive Decree 15 (1977).

Legislative Decree 198 (1977) extends for a period of six months the registration time in which certain operations authorized by the law creating the Agrarian Transformation Institute may be effected.

Decree 18 (1977) of the Ministry of Economy authorized a number of private parties, all Salvadorean citizens, to establish the *Banco Financiero, S.A.*

Calm appears to have returned to the agrarian front in El Salvador after the events of 1976 which culminated in the passage of the nation's broad-reaching land distribution legislation (8 *Law. Am.* 797, 1976). The process of agrarian transformation has slowed and is proceeding at a more moderate pace on the premise, according to President Molina, that "[i]t is better to go slowly and surely than to move rapidly and risk failure." The slow-up, which may lead to a permanent deferment of the agrarian reform scheme as originally envisioned, has the support of the most influential sector of the Salvadorean society. To the latter, the breakup of large estates would, among other things, depress agricultural production

and discourage private investment. Thus, the future of reform is uncertain but, with or without reform, use of the land remains a major issue facing the new administration of President elect Romero, slated to take office on 1 July.

GUATEMALA

Legislative Decree 64 (1976) promulgates the law relating to the Tribunal of Conflicts in Jurisdiction.

A National Education Law was made effective by Legislative Decree 73 (1976).

The Municipal Code was amended by Legislative Decree 80 (1976).

A Governmental Accord of March 2, 1977 established a National Commission to deal with problems generated by *la roya* in the coffee industry.

In the international area, Guatemala took the following actions, approving, among others, (1) a Technical Cooperation Convention with Canda; (2) the International Coffee Agreement (1976); (3) the Inter-American Convention on Conflict of Laws Concerning Bills of Exchange, Promissory Notes and Invoices; and (4) a Convention for the Protection of Archaeological, Artistic and Historic Monuments with Mexico. Further, Accord 000-13 (1977) of the Ministry of Economy regulated Art. IX of the Central American General Treaty of Economic Integration.

The controversy with regard to Belize has widened. Specifically, Panama's vote in 1976 in the United Nations in favor of Belize's independence and self determination led to the assumption of a neutral attitude by Guatemala on the Panama Canal issue between Panama and the United States. Other difficulties followed, and recently the two countries exchanged unofficial statements on the subject. Guatemala claims that Belize's future States. Other difficulties followed, and recently the two countries exchanged Guatemala and Great Britain, with representation from Belize. Panama maintains that Belize's problem ceased to be a domestic matter a long time ago and it is now at the international, and particularly, the Latin American level. Regretfully, the matter did not end there for on May 19, Guatemala broke diplomatic relations with Panama.

MEXICO

DO of October 14, 1976 carries the regulation to the Law of Inventions and Trade Marks on matters relating to the transfer of technology, and in DO of October 26 is found a tariff schedule for the National Transfer of Technology Register.

Political asylees in Mexico may revalidate their foreign studies per a decree in DO of October 18, 1976.

The federal regulation covering the disposition of human organs and cadavers is regulated in DO of October 25, 1976.

A decree on DO of November 4, 1976 deals with the inspection and protection of cattle.

The regulation for the General Population Law is found in DO of November 17, and that for Art. 27 of the Constitution relating to Mining in DO of 29 November, 1976. Mining concessionaires were given additional time to comply with the latter by a decree promulgated in DO of December 27, 1976.

An accord in DO of December 6, 1976 provides that the Office of Telecommunications is the only entity authorized to establish television linkages and chains within the national territory. A second Accord in the same publication provides that the Executive Branch, federal and state, may enter into agreements on matters of common interest.

The Organic Law of the Federal Judiciary was amended by a decree promulgated in DO of December 22, and that of the Federal Public Administration in DO of December 29, 1976.

A decree in DO of December 31, 1976 amends the Law of Amparo. This same DO contains decrees amending the Law of the Office of the Attorney General, the Law of Communications, the Sanitary Code, Social Security Law, and the Monetary Law, among others.

A new Public Debt Law became effective on January 1, 1977.

A decree of January 21, 1977 established a basic market basket and gave the Secretariat of Commerce authority to grant incentives to private firms joining an alliance for production program covering ninety basic commodities.

DO of January 24, 1977 contains an Accord establishing the Special Committee for Prices and Tariffs in the Public Sector and a decree which grants the Secretariat of Commerce authority to encourage the production and distribution of basic articles.

The *Comisión Nacional del Espacio Exterior* was dissolved by a decree in DO of 11 March. The same DO also carries (1) a decree providing that the Socio-Economic Development Committees in the states of the nation are public entities endowed with legal personality and individual patrimony, and (2) a decree establishing a Coordinating Commission for the Touristic Development of the Gulf of California.

The situation created by the expropriation last year of 250,000 acres of land by the government of President Echeverría (9 *Law. Am.* 137, 1977) seems to have eased temporarily in Sonora and Sinaloa, where thousands of peasants and migrant workers occupied large tracts of private lands after the expropriation. Now President López Portillo has informed evicted farmers that almost half of the 94,000 acres seized for distribution to the peasants was wrongfully expropriated. Of the 250,000 acres seized, about two thirds was scrubby grazing land and 94,000 acres was irrigated wheat land in Sonora's Yaqui Valley, often referred to as the breadbasket of Mexico. The President informed farmer representatives that the decree taking over the land was issued on the assumption that many of the farmers held more land than allowed by law, but that subsequent investigation had disclosed that of the 94,000 acres of irrigated wheat land some 44,000 acres had been legally held by small private farmers. Since the President considers that it will be practically impossible to take the land away from the squatters through another presidential decree which could "set the country ablaze," the government, instead, will offer evicted farmers compensation at the rate of \$550 to \$1,700 per acre. The President has appealed to the farmers to accept the offer in the interest of national peace. No mention was made of compensation for any of the owners of the seized grazing land.

Considerable activity, as indicated below, took place in the international area, including multilateral approval of: a cooperation convention with the Mutual Aid Council; the Charter of the Sugar Exporting Countries; the Protocol amending the Interamerican Reciprocal Assistance Treaty; the amendments to the International Convention to Prevent Contamination of the Sea by Hydrocarbons; the Constitutive Convention of the International Monetary Fund; the International Coffee Agreement (1976); the

International Convention for the Safety of Life at Sea; the Cacao International Convention (1975); Protocols 1, 2, and 4 (Montreal) to the Warsaw Convention; the Accord for the Prohibition of Nuclear Arms in Latin America; and the Convention on Registry of Space Launched Objects. Bilateral agreements were concluded with India on Cultural Cooperation and science and technology; with China, Argentina, Iran, Senegal on scientific and technical cooperation; with Trinidad and Tobago and Gabon on scientific, technological, educational and cultural cooperation; with Canada and Iran on cultural matters; with Gabon on general cooperation and commercial matters; with Venezuela on technical, cultural and educational matters; with the United Kingdom on cultural cooperation; with the USSR, Switzerland and Israel on air transportation; with Kuwait on economic cooperation; with the German Democratic Republic on economic and industrial cooperation; with Yugoslavia on informational matters; with Poland on commercial matters; and with the United States on the Execution of Penal Sentences, maritime boundaries and fisheries. Lastly, on March 28, 1977 Mexico and Spain resumed diplomatic relations to end an estrangement of nearly four decades.

PARAGUAY

Law 580 (1976) approved the establishment of Registries for Public contracts in various regions of the country.

An office of Military Colonization was established by Law 593 (1976).

Resolution 32 (1976) of the Ministry of Agriculture created the Forestry and Forestry Industries Development Department, and Resolution 159 (1976) of the Ministry of Industry and Commerce established an Industry and Commerce Advisory Council.

Internationally, Paraguay, *inter alia*, ratified a commercial agreement with Uruguay, and a telecommunications and postal agreement with Brazil. Additionally, it ratified five inter-American conventions in Private International Law (Panama 1975), i.e., the Convention on Conflict of Laws re Bills of Exchange, Promissory Notes and Invoices; Convention on Conflict of Laws re Checks; Convention on International Commercial Arbitration; Convention on Letters Rogatory; and Convention on the Taking of Evidence Abroad. Lastly, it ratified the International Coffee Agreement (1976).

PERU

Decree Law (DL) 21675 (1976) broadens the functions of the Bankruptcy Syndics.

A High Level Multisectorial Commission for the Naval Industry was created by Ministerial Resolution (RM) 0186-76-PM. It was charged with the presentation of a long-range plan to increase and improve the merchant marine and the naval construction industry.

Supreme Decree (DS) 023-76-PE clarifies Art. 31 of the General Fisheries Law concerning the fees payable by foreign vessels fishing in Peruvian waters. A further modification affecting fees is found in DS 01-77-PE.

Any assembly, conference, congress or seminar to be held in Peru involving foreign participation must have prior approval from the Ministry of Foreign Relations per DS 0006-76-RE. On a related matter DL 21700 (1976) sets forth the regulations which will govern the organization and the participation of the State in international fairs and expositions held in Peru and abroad.

DL 21684 (1976) modified the Organic Law of the Reserve Bank with respect to the operations of the Bank with other banks, financial entities, and public welfare savings institutions.

A Multisectorial Commission charged with the implementation and regulation of the Mining Law (DL 18880) was established by RM 0187-76-PM/ONAJ. A second Multisectorial Commission was created by RM 0190-76-PM/ONAJ to promulgate norms relating to the management role of the State in all public companies.

SD 033-76-CO/AJ promulgates norms for the establishment and registry of new small commercial businesses of the private sector.

DL 21736 (1976) approved the Lima Protocol to the Cartagena Agreement of 1969, approved by DL 19979.

The National Supervisory Commission of Companies and Securities (CONASEV) was charged with the fiscalization of multinational companies chartered or operating in Peru per DS 181-76-EF. In this area CONASEV will coordinate its functions with the National Commission for Foreign Investment and Technology (CONITE). DS 182-76-EF

authorizes Peruvian nationals to invest in multinationals chartered in other Andean Pact countries and sets forth the criteria and procedures for making such investments.

Supreme Resolution (RS) 144-76-PM/ONAJ declared the year 1977 as the "Year of National Unity."

The Regulation for the National Commission for Foreign Investment and Technology (CONITE), established by DL 21501, is found in DS 190-76-EF; that for the Small Businesses of the Private Sector Operating in the Industrial and Tourism areas in DS 025-76 IT/DS; and that for Small Businesses of the Transport Sector in DS-002-77-TC. The *Estatuto* of CONITE was approved by RM 0207-77-EF/71.

Small Businesses of the Private Sector, created by DL 21435, have until December 31, 1977 to comply with the requirements of the basic legislation per DL 21799 (1977).

The amnesty granted by DL 21568 was regulated by DS 0019-77-EF.

The regulation governing the organization and functions of CONASEV was updated by DS 0020-77-EF, and the regulation of the Advisory Council of the Energy and Mining Sector was promulgated by RM 0092-77-EM/DS.

In February, 1977 the Peruvian government published its Tupac Amará Plan outlining, under thirty-eight headings, the main problems which face the country, and offering detailed policy objectives for action during the 1977-80 period. The plan calls for general elections during that period and proposes a new constitution to replace the 1933 document in order to institutionalize the basic structural reforms of the "Revolutionary Process."

Effective March 3, 1977, new ground rules were promulgated to govern exploration and production contracts between foreign companies and Petroperu.

DL 21789 (1977) amends the Industrial Community Law of the Private Sector established and regulated by DL 18350 (1970). In essence, DL 21789 attenuates worker's participation in the ownership of private companies while concurrently giving the companies an expanded role in the decision making process. The amendment makes basic changes in other areas, e.g., voting rights, distribution of profits, investment choices, transferability of shares, functions and composition of Boards of Directors, and availability of financial documents, among others.

DL 21826 (1977) ratified Decision 103 of the Andean Pact Commission which extends the fade-out deadline to January 1, 1989, and permits profit remittances up to 20% of registered capital (formerly 14% under Decision 24).

In the international area, the following are noted: approval of the extension to the International Sugar Convention; a scientific agreement with Argentina; a scientific, technical, and economic convention with Bulgaria; and a scientific and technical co-operation agreement with the International Research Center for Development.

UNITED STATES

The early part of the First Session of the 95th Congress was spent on domestic matters, particularly its own reorganization. Nevertheless, the following activity in the international and related areas is noted: PL 95-6 (Fishery Conservation Zone Transition Act) approved international fishery agreements between the U.S., and Bulgaria, Rumania, China, German Democratic Republic and the USSR, to permit those nations to fish in U.S. waters upon the effective date of the Fishery Conservation and Management Act of 1976 (PL 94-265). PL 95-6 also included four additional agreements with i.e., the European Community, Japan, Korea and Spain; and PL 95-12 amended the United Nations Participation Act of 1945 to the effect that any Executive Order applying measures against Southern Rhodesia pursuant to a UN Security Council Resolution may be enforced, regardless of any other laws. The laws further prohibited the importation into the U.S. of any steel mill product containing chromium originating in Southern Rhodesia.

Under pending legislation mention is made of HR 3711 (Comprehensive Oil Pollution Liability and Compensation Act of 1977) which, among other things, would establish in the U.S. Treasury a fund of not more than \$200 million to satisfy claims for damages resulting from oil pollution. A fee of 3 cents per barrel, payable by owners of refineries and terminals, would provide the monies for the fund. The President submitted a special message to Congress on the same subject. Also worthy of note in the pending legislation area is the number of bills dealing with regulatory reform of the domestic commercial aviation industry, on which the President also submitted a special message to the Congress. Additionally, Committees of the Congress have held hearings on the Outer Continental Shelf Act and diplomatic immunities.

In the treaty area, the U.S. ratified the International Coffee Agreement (1976), the Fifth International Tin Agreement, the International Convention for Safe Containers, the Convention to Prevent and Punish Acts of Terrorism, the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, and the Convention on Regulations for Preventing Collisions at Sea. It also concluded an agreement on fisheries and maritime boundaries with Cuba.

URUGUAY

Constitutional Decree No. 3 (1976) set forth norms for the restructuring of the Ministries and other organs of the Executive Branch.

Decree 444 (1976) promulgated interpretative norms relating to the exploration and exploitation of hydrocarbons.

Procedures regulating the issuance of import permits were set forth in Decree 475 (1976).

Decree 496 (1976) extended for an additional period of one year the right to transport exports on non-Uruguayan vessels.

Decree 597 (1976) promulgated the regulations relating to investments of the International Finance Corporation.

The regulations for the registry of trademarks in the office of Industrial Property were set forth in Decree 634 (1976).

The Executive Office for Free Zones was established and its functions delineated in Decree 734 (1977).

Central Bank Resolution 737 (1976) established a regime for brokers in public securities, and Resolution 766 regulated the operations of exchange houses.

Internationally, Uruguay concluded a scientific and technical agreement with Chile, a commercial agreement with Paraguay, a scientific and technology convention with Spain, and a convention with Chile relating to public administration. It also approved the charter of the International Finance Corporation, and an accord with the International Atomic Energy Agency.

VENEZUELA

Gaceta Oficial (GO) 1976 of March 22, 1977 contains the law approving the protocol relating to the authentic trilingual (English, Spanish and French) version of the Civil International Aviation Convention (Chicago, 1944).

Decree 1732 (1976) amends the General Banking Law with respect to the establishment of branches by Latin American banks and other credit institutions.

Changes to Venezuela's foreign investment law were introduced by Decree 2.031 (1977), replacing Decree 62 (1974) which contained foreign investment norms in line with Decision 24 of the Andean Pact Commission. The new decree, among other things, provides some exemption relief from the fade out provisions and extends the deadline, from May 1 to December 31, 1977, for total fade out in a number of specified sectors.

Decree 2.038 (1977) established a Foundation for the Development of Special Education to coordinate policies with the Ministry of Education respecting the special needs of those afflicted with physical, intellectual and emotional handicaps.

Additional tribunals were created and a reorganization of the *jurisdicción contencioso-administrativa* was made effective by Decree 2.057 (1977).

Decrees 2.075 through 2.091 (1977) promulgate the Organic Regulations of the Ministries of the Interior, Foreign Relations, Treasury, Defense, Development, Education, Health and Social Assistance, Agriculture, Labor, Transport and Communications, Justice, Energy and Mines, Environment and Natural Resources, Urban Development, Information and Tourism, Youth, and the Secretariat to the Presidency, respectively. Decree 2.092 (1977) provided that the Ministries of Public Works, Communications, and Mines and Hydrocarbons, plus the General Secretariat to the Presidency and the Central Information Office, were to cease operations as of March 31 and have their respective functions transferred to the Ministries of Transport and Communications, Energy and Mines, Environment and Natural Resources, Urban Development, Information and Tourism and the Secretariat to the Presidency, effective April 1, 1977.

Decree 2.093 (1977) lists the Ministries under which a number of autonomous institutes are registered. The purpose of the decree is to

establish supervisory control and to identify the institutes with particular Ministries. Decree 2.116 (1977) expands on the above and requires, among other things, such identification when a particular institute is carrying out its public functions. A number of public foundations are also brought within the ambit of Decree 2.093.

The Regulation for the establishment and operation of Environmental Conservation, Defense and Improvement Boards is set forth in Decree 2.127 (1977).

A Presidential Commission headed by the Minister of the Treasury was established by Decree 2.143 (1977) to coordinate the activities of a number of governmental financial institutions specifically designated in the decree.

Resolution 77-4-01 of the Central Bank fixes the minimum and maximum interest rates which may be paid by banks with respect to Certificates of Deposit.

A bill has been introduced in the Congress which sanctions with imprisonment and heavy fines a public official or any other person who enriches himself illegally at the expense of the public patrimony.

Friction developed between the Executive and the Judicial Powers in March of 1977 when President Perez proposed a reform of the Judicature Council, whose function, under the Constitution, is to insure the independence, efficiency and decorum of the Judiciary. Venezuelan judges characterized the proposed reform as a step backward in the difficult struggle waged by the Judiciary to achieve independence, and considered that the President's proposal could conceivably return the Judiciary to a stage, now past, where this branch of government was subordinate to the Executive. Practically, the reform calls for the abolition of the Judicature Council and its substitution by a new entity composed of the President and Vice Presidents of the Supreme Court, the Minister of Justice and a member of the Legislative branch.

Internationally, the following are noted: signature of a Joint Declaration creating the Andean-Chilean Mixed Commission; notification of deposit of provisional application to the International Coffee Agreement (1976); signature of the Bucaramanga Declaration under which Venezuela and Colombia initiated a \$35 million border integration program which will start with an agroindustrial project in Zulia; conclusion of bilateral agreements with Italy and Portugal on (a) technical cooperation, and (b)

economic and industrial cooperation; signing of a convention with Italy on Professional Training and University Collaboration; and conclusion of bilateral agreements with the USSR and Guatemala on economic and industrial cooperation, and technical cooperation, respectively.

MISCELLANEOUS

Member countries of the Latin American Economic System (SELA) have announced their intention to establish a number of multinational companies in the food production field to help alleviate the wants of Latin America in this area.

Countries comprising the *Cuenca De La Plata* (Argentina, Uruguay, Brazil, Paraguay and Bolivia) continue to meet on matters relating to transportation, hydrological resources, water pollution, and economic and social cooperation. The countries concerned have established a \$100 million Financial Fund to carry out development projects relating to the River Plate Basin.

A final settlement was reached between OPIC and ANACONDA concerning the latter's claim for its assets expropriated in Chile. The settlement calls for a cash payment, as well as an OPIC guarantee on notes issued to the mining company by the Chilean government.

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.