Inter-American Legal Developments

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ARGENTINA

Resolution No. 119 (1973) established minimum requirements for the registration of licensing agreements for foreign technology with the National Registry of Contracts and Foreign Technology.

Law No. 20.568 (1973) established, within the Ministry of Economy, the Corporation for the Development of Small and Medium Businesses. The object of the Corporation is to foster the technical, economic, financial and commercial activities of small and medium businesses in the commercial, mining, agricultural, commercial and service areas, within the development programs established by the Government.

Commercialization of the production of grains and other agricultural products will be the responsibility of the State, when so decreed by the Executive in accordance with Law No. 20.573 (1973). A National Grains Commission is charged with implementing the policy of the government in the premises.

All innovations in the television field are vested with the public interest and must be approved by the Congress under Law No. 20.577 (1973).

Law No. 20.615 (1973) sets forth the legal regime of worker's professional associations.

Decree 466 (1973) approved the Social Security Program agreed to by the Ministries of Social Welfare, Economy and Labor, the General Worker's Confederation and the General Economic Confederation.

Decree 592 (1973) promotes the development of the petro-chemical industry.

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On November 29, 1973 Argentina approved an agreement with Italy signed at Buenos Aires on October 29, 1971 under which natives of either country may acquire nationality in the other country in accordance with local law. Primary nationality is held in abeyance while the individual concerned exercises rights acquired under the newly adopted nationality.

Nationals of neighboring countries who entered Argentina irregularly prior to January 1, 1974 may, under Decree 87 (1974), obtain permanent residency in Argentina by complying with the requirements set forth in the above decree. Decree 255 (1974) also affects the permanent residency of foreigners.

Law No. 20.645 (1974) approved the Rio de la Plata Agreement with Uruguay relating to the boundaries of the Rio de la Plata. The agreement also covers, among others, the subjects of navigation, pilotage, salvage, pollution and port facilities.

Decree No. 413 (1974) regulates the establishment of foreign capital in Argentina under Law No. 20.557 (1973), and Decree No. 414 (1974) establishes the Registry of Foreign Investments.

Decree No. 443 (1974) regulates Law No. 20.551 (1973) relating to the promotion of the mining industry.

Governmental policy concerning forests and reforestation is set forth in Decree No. 465 (1974).

Decree No. 539 (1974) establishes the Secretariat of Government directly under the President of the Republic.

Law No. 19.102 (1971) concerning political parties is abrogated by Decree No. 599 (1974) which also affects Law No. 16.652 (1965) relating to political parties.

Decree No. 619 (1974) promotes the steel industry through the grant of licenses and specified benefits.

Decree No. 719 (1974) establishes common procedural regulations to which sectorial, regional and special promotion decrees based on Law No. 20.560 of 1973 (Law on Industrial Promotion) must be subject. The latter law, abrogating Decree-Law No. 19.904, established a system of industrial promotion for new industrial activities, and the expansion, improvement and modernization of existing industries. Said law also sought to encourage geographical decentralization, the development of national technology and the consolidation of industry, nationally owned.
Reforms to the Penal Code were approved on January 28, 1974 increasing punishments for political crimes and subversive acts.

BAHAMAS

The Bahamas Nationality Act (No. 18, 1973) provides for the acquisition, certification, renunciation, and loss of Bahamian citizenship.

The International Monetary Fund and World Bank Act (No. 23, 1973) provides for participation by the Bahamas in the privileges and obligations of membership in the World Bank and International Monetary Fund including the right to participate in the Special Drawing Account of the Fund.

The Medical Act (No. 1, 1974) provides for the practice of medicine and surgery, and related purposes.

The Medical Practitioners Act (No. 5, 1974) provides for the creation of a Bahamas Medical Association.

The Central Bank of the Bahamas Act (No. 6, 1974) provides for the upgrading of the Bahamas Monetary Authority to the status of a Central Bank. Part III deals with the Capital and General Reserve of the Bank. Part IV sets out the function of the Bank in relation to the currency and provides for the establishment and change in the parity of the Bahamian dollar. Part VI regulates relations between the Central Bank and commercial banks. Commercial banks are required to maintain a Statutory Reserve (clause 19) and to meet certain liquidity requirements (clause 20). Clause 21 regulates the making of loans by commercial banks, and clauses 22 and 23 provide respectively for the role of the Central Bank as banker to commercial banks and for the operation of a clearing system. Part VII provides for the management of the public debt (clause 26). Part VIII prescribes accounting and auditing requirements, and Part X covers the right of the Bank to obtain information from financial institutions (clause 33), offenses (clause 34, 36, 37), and the duty of secrecy (clause 35).

Amendments to the following acts have been enacted: Emergency Tax Act (No. 12, 1973); Tariff Act (No. 13, 1973); and the Real Property Tax Act (No. 25, 1973) which increased the rate to a maximum of 1 1/2%.

Bahamas and the United States have reached agreement in principle on the subject of pre-clearance procedures at Nassau’s airport. Limited
pre-clearance has been in effect since 1959 permitting travelers to complete U.S. agricultural, customs and immigration formalities before boarding flights for the United States.

BRAZIL

The new Code of Civil Procedure, Law No. 5,869 (1973) became effective on January 1, 1974, and is being applied by the courts. Innovations brought about by the new code have been referred to in previous reports in the Lawyer.

The Brazilian Nomenclature Committee approved a new Brazilian Nomenclature of Merchandise and established rules for its correct interpretation. The new nomenclature was published in the Official Gazette of December 3, 1973 (Supplement).

Employees who have not opted for the regime of the Service Time Guarantee Fund may now do so with effects retroactive to January 1, 1967 under Law No. 5,958 (1973).

New regulations for the manufacture, sale and consumption of beverages were established by Decree No. 73,267 (1973). The Ministry of Agriculture is responsible for their enforcement.

A new Copyright Law was adopted under Law No. 5,988 (1973). The law creates a National Copyright Commission.

Law No. 6,016 (1973), effective July 1, 1974, introduced several alterations in the text of the new Penal Code (Law No. 1,004, 1969).

The fiscal incentives for investments in shares and debentures (Decree Law No. 1,283, 1973) are regulated through an ordinance of the Finance Minister.

Through Decree No. 73,069 (1973), the President approved the Project for Forestry Development and Research (PRODEPEF) whose objectives are: a) to promote the integration of forestry research; b) train technical personnel; c) carry out research to meet ecological and economic requirements; d) cooperate with timber industries in solving their technical problems; e) promote and implement research for the Brazilian institute of Forestry Development (IBDF).

According to Ordinance No. 199 (1973), from the Secretary of Social Service, bonuses paid to employees from profit sharing, shall not
be subject to the Social Service contribution whenever: a) participation is guaranteed equally to all employees; b) is covered in the by-laws, regulations or other internal rulings of the company, with an indication of the criterion for distribution vis-à-vis the annual profits.

The Departamento Nacional de Registro de Comercio issued rules on the operation in Brazil of foreign sales enterprises (Companhias Mercantis'). In order to set themselves up in Brazil with branch, agency, or office, these companies must obtain federal government authorization through the Ministry of Industry and Commerce. The request must be accompanied by the following: Copy of meeting or resolution of the company's decision to open a branch, agency or office in Brazil; By-laws — list of partners or shareholders and number of shares of each; list of Board members with complete information; proof of the legal appointment of the Board; proof that the company is incorporated in accordance with the laws of the country of origin; proof of registration in the country where the head office is located; resolution showing appointment of a general representative in Brazil and copy of power of attorney; last balance sheet issued by the head office. All documents must be stamped by the Brazilian Consul in the country where head office is located.

Decree-Law No. 1,257 (1973) extended to mining development projects certain incentives granted by Decree-law No. 1,137 (1970), among them: a) exemption from import duties of machinery, tools, spare parts, etc., b) accelerated depreciation for income tax purposes, c) preferential financial support from official credit entities.

Central Bank Resolution No. 266 (1973) regulates the transfer and installation of banking agencies in accordance with a decision of the National Monetary Council; Resolution No. 267 (1973) facilitates payment of the tax on financial transactions by financial institutions and insurance companies to the Central Bank; and Resolution No. 220 (1973) allows banking establishments to hire legal entities to act as correspondents.

On the subject of trademarks and patents, the following PORTARIAS promulgated in 1973 by the President of the National Institute of Industrial Property are mentioned: a) No. 386 concerning submission of powers of attorney per articles 115 and 116 of the Industrial Property Code; b) No. 391 relating to rules governing patents in general, e.g., deposit, priority, publication, examination, duration, annual fees, etc.; c) No. 392 regulating certain applications concerning patents, e.g., ap-
Applications for assignment, transfer, filing documents, and requesting information, among others.

Home medical assistance and emergency medical care for persons insured with the Social Security Institute are provided by Decree No. 73,031 (1973). The above services to be rendered by First Aid Service to be established throughout Brazil, specifically in state capitals and other large cities.

Decree-Law No. 1,302 (1973) relates to the accounting of monetary correction of fixed assets in relation to depreciation.

Law No. 6,019 (1974) regulates part-time labor, defined as that rendered by an individual to a company to meet a temporary need in replacement of regular and permanent personnel, or an extraordinary increase of work. A part-time labor firm is defined as an urban organization engaged in placing qualified workers temporarily in other firms.

Brazil and the European Economic Community signed a three year non-preferential commercial agreement, effective January 1, 1974. The agreement guarantees both parties most favored nation and non-discriminatory treatment in the event of a future liberalization of trade.

Brazil and Spain have signed a double taxation treaty. The agreement reduces the former 42 per cent tax on remittances on dividends, royalties, interest and technical assistance to 15 percent. Similar treaties are expected with England and Italy.

On December 31, 1973, Brazil extended an agreement with the United States on the subject of shrimp fisheries, and on January 4, 1974 it adhered to the International Whaling Convention (1946) and a 1956 protocol thereto.

The Federal Appeals Court (Case No. 68,902 (1973)) ruled that a company in liquidation is still a legal entity and therefore taxable for its operations; the Superior Labor Court (Case No. 1,090 (1973)) held that an employee is not required to provide services to associated companies of his employer, but that if he chooses to do so he is entitled to a salary adjustment.

A draft of a decree relative to the formation of a special department which would control blocks of fuels to assure the regular supply of power in Brazil, has been submitted to the President.
CANADA


The following acts, among others, are also in force in the provinces indicated.

Alberta

Income Tax Amendment Act; Insurance Amendment Act; Coal Conservation Act; Disaster Services Act; Freehold Mineral Taxation Act; Licensing of Trades and Business Amendment Act; Mines and Minerals Amendment Act; Worker's Compensation Act; Labor Act.

British Columbia

Agricultural Credit Act; Human Rights Code; Labour Code; Mineral Amendment Act; Mines Regulation Amendment Act; Petroleum Corporation Act; Soil Conservation Amendment Act; Taxation Amendment Act; Securities Amendment Act; Workmen's Compensation Amendment Act.

New Brunswick

Human Rights Amendment Act; Judicature Amendment Act; Clean Environment Amendment Act; Expropriation Act.

Newfoundland

Conflict of Interest Act.

Ontario

Condominium Amendment Act; Conveyancing and Law of Property Amendment Act; Insurance Amendment Act; Loan and Trust
Corporations Amendment Act; Mining Amendment Act; Corporations Tax Amendment Act; Development Corporations Act; Ministry of Housing Act; Mortgage Brokers Amendment Act.

Saskatchewan

Oil and Gas Conservation Act; Stabilization and Development Act; Insurance Act.

THE CARIBBEAN

Antigua

The Parliament passed a Drugs Act imposing heavy penalties on any person or carrier engaged in the illegal traffic of drugs. A proposed Central Marketing Corporation Act aims to stimulate, facilitate and improve the production, marketing and processing of produce.

New legislative measures in 1974 will include acts to establish a Broadcasting Authority and to attract mortgage financing for housing development, among others. Also negotiations are foreseen in 1974 with employers so as to increase contributions in order to bring the Workers' Compensation Act in accord with the Social Security regime.

Barbados

The following have been amended: Hire-Purchase Act, 1973; National Insurance and Social Security Act, 1966; Petroleum Act, 1973; Severance Payments Act, 1971; Waterworks Act, 1895; Post Office Act, 1911; Gambling Act, 1917; and the Stamp Act, 1916.


The following bill has been submitted to the Parliament: Caribbean Investment Corporation Act providing for the implementation by Barbados of the Agreement establishing the Caribbean Investment Corporation and for connected purposes.
The age of majority has been reduced from 21 to 18 years, except for membership in the House of Assembly which remains at 21 years under the Constitution.

Cayman Islands

Employment of non-residents has been further regulated, and holders of Work Permits may not transfer employment during the current term of the license, except for unusual circumstances. Where allowed applications for change of employment must be made at least 30 days before the license expires.

The Legislative Assembly has set a new date (June 1975) for the completion of the Development Plan for the Cayman Islands. The Plan was a requirement of the Development and Planning Law (1971).

Guyana

Guyana and Cuba signed an agreement on the subject of fisheries. (Editors Note: Details of the agreement are covered in The Oceans Report in this issue.)

On March 8, 1974, Guyana joined Guinea, Australia, Jamaica, Sierra Leone, Surinam and Yugoslavia in approving an agreement which establishes an international association of bauxite producers. Basic objective of the new organization is to promote the orderly and rational development of the industry. The member states agreed to exchange information, harmonize decisions, promote mutual research and coordinate purchasing of materials required by the bauxite industry and to secure reasonable profits. Also included in the accord was a provision urging the members to secure the maximum national ownership of their natural resources, but the agreement gave no specific timetables nor did it spell out details on how to accomplish this particular objective.

Jamaica

The following acts, among others, have been assented to: Food Storage and Prevention of Infestation (Amendment) Act (No. 40, 1973); Land Bonds (Amendment) Act, (No. 41, 1973); Judiciary Act (No. 42, 1973); Judicature (Resident Magistrates) (Amendment) Act (No. 45,

Bills to amend the following acts will be introduced: The Judicature (Revenue Court) Act, 1971; Firearms Act, 1967; Adoption of Children Law, 1956; and, Travel Agencies Regulation Law, 1956.

Trinidad and Tobago

An Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and for the Encouragement of International Trade and Investments with the Caribbean Associated States was made effective on 8 January, 1974 by the Double Taxation Relief (Associated States) Order, 1974.

A Resolution, passed by the House and Senate, on January 25 and 29, 1974, respectively held that the aggregate amount of all borrowing companies that are guaranteed by the Government under the Guarantee of Loans (Companies) Act, 1969 shall not exceed two hundred million dollars.
The following have been amended: Rules of the Supreme Court, Rules of the Court of Appeals, and Barristers Rules; National Insurance Act, 1971.

CHILE

The following Decree Laws (D.L.), among others, were promulgated in 1973.

D.L. No. 128 confirmed that the Constitutional, Legislative and Executive powers remain with the Governmental Junta. The judicial order remains undisturbed unless modified by the three powers mentioned above.

Electoral Registers were declared without effect by D.L. No. 130.

D.L. No. 159 dealt with bonuses to private and public employees, modifying No. 97, also of 1973.

Central Bank regulations of 20 and 28 November established a special exchange regime for airlines, and authorized sales on credit.

Appropriations covering expropriations from Jan. 2 to Oct. 5, 1973 were the subject of D.L. No. 103.

DIRINCO Resolution 894 holds that failure to have price lists of basic products available for public inspection is a grave omission which will be taken into account in imposing sanctions.

D.L. No. 163 sets a "vital salary" of 6700 escudos for the payment of, among others, subsistence pensions.

Law 16.807 was modified by D.L. No. 162 which authorizes Savings and Loan Associations to grant adjustable mortgage loans to construction companies for specified purposes. The change also permits, inter alia, burdening the property mortgaged after five years (previously no burden could be imposed until the debt had been cancelled).

D.L. No. 167 benefits workers by expediting grants due their families and by regulating the cessation of this particular benefit. D.L. No. 193 established Special Commissions to review in summary proceedings discharges from the public sector.

Treasury Decree 2009 establishes the Advisory Committee for External Credits (CACE), under the Ministry of the Treasury, to control public external fiscal operations. Without CACE approval, the Treasury is not obligated.
D.L. Nos. 169 and 170 amend the Code for Tribunals and the Constitution in relation to the administration of justice.

Art. 6 of the Constitution is amended by D.L. No. 175 which provides for loss of nationality for conduct abroad deemed to be against the interests of the State.

D.L. No. 194 authorizes hiring of guards by private companies. Guards may carry arms, but they will be supervised by the Armed Forces.

Foreign merchandise held in customs because of irregularities may be released through payment of duties in accordance with D.L. 197.

D.L. No. 208 modifies Law 16.640 by decreeing non-expropriability of certain farm lands and regulating the allocation of lands in general.

Certain Chilean professionals and technicians, absent from Chile within a designated period, are granted custom exemptions upon return to the country under D.L. 204.

D.L. No. 211 establishes norms relative to free competition. The decree law, inter alia, provides for criminal penalties (61 days to 5 years) for those interfering with free competition in the fields of production, transport and commerce; monopolies may not be granted except in special circumstances; Preventive Commissions are established to oversee the workings of free competition, as well as a Resolving Commission to exercise jurisdiction in cases of violations. This particular decree replaces the existing anti-monopoly law, Law 13.305.

Labor unions are affected by D.L. No. 198 on the subjects of: nominations, licenses and meetings.

D.L. No. 216 and No. 217 concern exemption from duties in specified zones of the country and No. 218 exemption from duties for the fishing industry.

Commercial banks are regulated by D.L. 231, which, among other things, denies temporarily the establishment of new banks.

D.L. No. 231 permits business associations to request, through 1975, the suspension of Art. 464 of the Commercial Code concerning dissolution of a company for loss of capital.

The following Decree Laws (D.L.), among others, were promulgated in 1974.
D.L. No. 247 established norms for approval of treaties; Treasury Decree No. 1879 made effective the sectoral development program for machinery metal. On April 15, Chile ratified the Pact of Bogota, signed in Bogota in 1948.

In the political area the following are relevant: Interior Decree 1921 regulates the “recess” decreed for democratic parties under D.L. No. 78 (1973), and decrees that said parties may not make pronouncements, hold assemblies, nor collect dues; Interior Decree of 2 January regulates D.L. No. 77 (1973) re dissolution of political parties; Interior Decree No. 1793 sanctions D.L. No. 81 (1973) requiring persons cited by the authorities to appear before said authorities, or be answerable to the Military Tribunals; D.L. No. 335 grants those deprived of nationality under D.L. No. 175 (1973) the right of appeal to the Supreme Court; D.L. No. 357 authorized the President of the Junta to issue guarantees for US $600 million for foreign exchange obligations originating in the public sector and with state-owned corporations; D.L. No. 349 regulates governmental representation in Neighborhood Committees, Professional Associations and Cooperatives, among other entities.

D.L. No. 249 fixes a wage scale for the public sector and restricts the type and amounts available for additional remunerations; D.L. No. 256 affects the “vital wage”; D.L. No. 255 regulates adjustability of pensions; D.L. No. 307 establishes norms for the system created by D.L. No. 97 (1973) i.e., Family Grants, and modifies contributions by both employer and employee to the Social Security System, among others; D.L. No. 308 amends D.L. No. 275 (1974) regarding a general readjustment of wages.

D.L. No. 280 establishes economic crimes with jail sentences from 61 days to 20 years for those who oppose or obstruct the economic activity of the nation. The following offenses are listed: fraudulent sales, sales in excess of prices decreed, refusal to sell or selling under onerous conditions, controlling or hiding merchandise, perjury, destruction of machinery, stoppages, violations of norms relating to remunerations, holidays, workdays, among others.

D.L. No. 261 derogates prior legal provisions which prohibited planting new vineyards.

exchange in the form of foreign capital, and the decree itself was regulated by Central Bank Regulation of Feb. 23. Central Bank Regulation dated February 7 regulates the expenses of foreign maritime companies operating in Chile, as well as the sale of tickets therein. Port Authority Resolution No. 5 regulates port services and tariffs.


D.L. No. 100 amends Law 16.643 and requires that a copy of each newspaper published be sent to the Ministry of Interior; D.L. 303 also modifies the above law and sanctions editors of obscene publications and publications contrary to good morals.

Chile is presently restructuring its custom tariffs to bring them into accordance with the Andean Group tariff reduction program.

On February 6, 1974 three agreements with the United States entered into force. The three concerned consolidation and rescheduling of (1) debts owed to the United States, (2) P.L. 480 repayments, and (3) debts owed to AID.

On January 24, 1974 Chile acceded to the Convention on Offenses and Certain Other Acts Committed on Board, Tokyo (1963).

COLOMBIA

Law No. 16 (1973) approved the Protocol of Caracas modifying the Treaty of Montevideo.

Decree No. 2719 (1973) regulates Decision 24 of the Andean Pact. Specifically, the Decree deals with provisions of Chapter 111 of Decision 24 and provides:

a) Banks and other financial institutions other than insurance companies are excluded from Decision 24 restrictions on new investments and holding local accounts. The specific manner in which new foreign investments will be allowed in the banking sector is to be elaborated upon at a future date.

b) Enterprises devoted to domestic commercialization of products shall be excepted from the restrictions imposed on them by Decision 24 as to new investments and divestments.
c) The National Economic and Political Council is authorized to modify the 14% profit remittance ceiling for enterprises engaged in the basic product sectors of the economy.

Law No. 52 (1973) approved the treaty with the United States concerning the islands of Quitasueño, Roncador and Serrana. Under the agreement, the U.S., inter alia, renounces any claim to sovereignty over the islands, and a mutual covenant guarantees citizens of either country fishing rights in the area.

The minimum daily wage was increased by Decree No. 2680 (1973). The highest minimum wage is pesos 30.00; the lowest pesos 23.00. Under the Colombian formula several minimum wages exist depending upon the nature of the employer's economic activity and the locality in which operations are conducted.

Decree No. 2716 (1973) provides new regulations for Savings and Loans Associations in the matters of house improvement loans and loans for urbanization works.

Law No. 15 (1973) establishes a National Investment Fund as a State commercial entity with its own juridical personality and patrimony. The objective of the Fund is to stimulate financial activity, and in addition to its own patrimony will count with investments made by private parties in the Fund. The latter may invest a percentage of income tax due in the securities issued by the Fund.

Law No. 34 (1973) — Promotion of the Colombian Publishing Industry — aims to preserve the nation's cultural patrimony through various means including the democratization of books, encouragement and training of library personnel, and encouragement of writers, among others.

Accord No. 019 (1973) of the National Tourism Corporation abrogates Accord No. 3 (1969) and in compliance with Law 60 (1968), regulates Travel Agencies.

Resolution No. 02851 (1973) of the Superintendent of Banks sets forth the registration requirements that must be met by representatives of foreign banks.

Decree No. 142 (1974) regulates Law No. 4 (1974) which introduced the concept of "presumptive income" into the income tax law. Under this concept certain classes of farmers and cattle breeders will, through a legal presumption, be treated as having received a certain minimum net taxable income.
Decree No. 175 (1974) abrogates Decree No. 2167 (1972) and provides new norms for the establishment and operation of a Guarantee Fund for Small and Medium Businesses.

Decree No. 508 (1974) established a summary proceeding to determine ownership in small rural properties.

A deposit of 2 pesos per U. S. $1 requested is required of travelers under Monetary Board Resolution No. 19 (1974).

_Banco de la República_ Circular No. 3.504 (1974) regulates the financing of machinery and equipment imported for the manufacturing industry.

By Resolution No. 058 (1973), the National Council of Foreign Commerce extended the duration of import licenses to ten months, only one extension for an additional five month period is permitted.

Resolution No. 0235 (1974) of the Superintendency of Banks regulates the commercial activities of agents of foreign banks operating in Colombia. To be able to act as an agent a permit must be obtained from the Banking Superintendent. An individual so designated may not conduct any type of banking operation and may not solicit in Colombia funds or deposits to be placed outside the country.

Superintendency of Banks Resolution No. 0098 (1974) designates the entities in which insurance companies must place mandatory investments, and Circular O. J. No. 18 (1974) promulgates instructions for the use of securities as collateral.

Agreements with the United States on the sale of agricultural commodities and on the eradication of foot and mouth disease in Colombia entered into force on December 17 and 11, 1973 respectively.

**COSTA RICA**


Law No. 5364 (1973) approved a scientific-technical cooperative agreement with Chekoslovakia, signed at San Jose in 1972, and Law No. 5411 (1973) approved a loan of $6.2 million from the Inter-American Development Bank for educational purposes.
The Costa Rican Association of Engineers and Architects is granted authority by Law No. 5372 (1973) to license land surveyors.


A General Health Law (No. 5395, 1973) became effective on 30 October, 1973. The law declares that the health of the people is an asset affected with a public interest, under the protection of the State. Book One covers the rights and duties of individuals with regard to their personal health and the restrictions imposed on them with regard to third parties and the use of the environment. Book Two refers to State health entities, officials, functions, etc., and Book Three to crimes against health and pertinent penalties. A supplementary law (No. 5412, 1973) covers the structure of the Ministry of Health. It is composed of three books: One—deals with the organization and functions of the Ministry; Two—financing; and Three—procedure. The Executive, through the Ministry of Health, is charged with the implementation of the new statute.

Law No. 5404 (1973) amended Law No. 5123 (1972) to the effect that the Executive, upon written petition of the original owner, shall return property expropriated for a public purpose if the State has not used the property for the specific public purpose for ten years following the expropriation. An owner seeking to take advantage of the above must return the monies received for the property expropriated.

Law No. 5424 (1973) approved a protocol which extends the life of the Protocol to the General Central American Treaty of Economic Integration (emergency measures relating to balance of payments), signed at Managua on October 15, 1973. The extension covers the period to November 8, 1978, but the term "third countries" does not include Honduras. The protocol will cease to be effective upon the promulgation of a new Central American schedule of import duties, as agreed within the framework of the Central American Common Market.


Law No. 5426 (1973) established norms for the supply of cattle for local purposes and export. The law aims to protect both the consumer and the producer.
The field of Apprenticeships (Law No. 4903, 1971) was amended by Law No. 5427 (1973). In essence, the amendment divides into three phases the apprenticeship period and sets scales for salaries to be paid during the respective phases.

The Organic Law of the Banco Popular y Desarrollo Comunal (No. 4351, 1961) was amended at depth by Law No. 5435 (1973). The Bank is the property of the workers (in equal shares) for which they qualify through ownership of a mandatory savings account for one year. The depositors share directly in the profits, and indirectly in the designation of directors. The Bank will function to protect the economic position and welfare of the workers and to serve their credit needs. A working fund will be made up from contributions by the employers and the State, plus contributions by the employees. Employers are charged with withholding employee's contributions at the source.

The General Civil Aviation Law (No. 5150, 1973) was amended by Law No. 5437 (1973). Art. 174 is among those amended and the modification provides that only Costa Rican citizens (natural or juridical) may exploit local services, regular or irregular. Juridical persons must comply with the following:

(a) At least 51% of the capital must be Costa Rican.

(b) Control and management must rest in Costa Ricans, foreigners being excluded from the Board of Directors.

Law No. 5497 (1974) which amended the Extradition Act (No. 4795, 1971), created considerable political controversy in Costa Rica. It is claimed that the new law was enacted to prevent the extradition of Robert Vesco and therefore politically motivated. Some of the amended provisions received special notice, e.g., the 1971 law in paragraph 1 of Art. 2 provided that extradition would not be granted "if the actor was a Costa Rican at the time the punishable act was committed," but the amendment eliminated the underlined portion. Further, the amendment provides that extradition will not be granted when the person whose extradition is sought "is the victim, publicly and notoriously, of political persecution." Lastly strong objections were raised to the fact that the amendment provides that when, in the claimant State, the Executive has the last word on extraditions, the same will obtain in Costa Rica. Legally, the matter is of interest in view of the fact that there exists an extradition treaty of long standing between U.S. and Costa Rica. Law No. 5497, however, according to some Costa Rican jurists does not modify the treaty provisions, but
merely fills in lacunae in the treaty. Thus, the law appears to effectively control a case of extradition between the United States and Costa Rica. It is clear that under the provisions of the amended law, Vesco’s position to block extradition has been strengthened.

In March 1974, Costa Rica joined Colombia, Ecuador, Guatemala, Honduras, Nicaragua and Panama in levying a tax on banana exports. In the case of Costa Rica the tax is $1.00 per box of 42 pounds. Other countries have varying taxes, as well as varying dates on which the tax becomes effective. The Costa Rican tax, part of which is refundable, entered into force in April, 1974.

On April 25, 1974, Costa Rica devalued the colón by 29 percent and established one rate of exchange (8.6 colones to the dollar) for all importations and services.

A National Council of Professional Rehabilitation was established by Supreme Decree No. 1353 (1973) amended the Labor Code on matters relating to the crime of concussion (extortion).
A National Preinvestment Fund (FONAPRE) was created by Supreme Decree No. 1385 (1973).

On the subject of wages, Supreme Decree No. 1413 (1973), effective January 1, 1974, raised the minimum wages for all workers in general, but certain trades were singled out for special treatment. Supreme Decree No. 1414 (1973) raised the percentage for the “14th salary”, but a ceiling of 6000 sucres was set for this particular fringe benefit.

Supreme Decree No. 1416 (1973) amended the Labor Code significantly. Specifically, companies with ten or more employees will establish stores to carry basic products to be sold to the employees and their families in quantities necessary to insure adequate subsistence. Companies may comply directly or through contracts with other companies or third parties.

The Consulting Companies Law was amended by Supreme Decree No. 1418 (1974) to provide for at least 30% mandatory participation by national companies.

The Penal Code was amended to provide penalties for merchants who raise prices or speculate in basic products. (Decree No. 480, 1974).

The Charter of the Center for Industrial Development was modified by Supreme Decree No. 84 (1974).

The Military Service and Obligatory Work Law for the Armed Services was amended by Supreme Decree No. 183 (1974).

The Agrarian Reform Law was modified with reference to expropriations. Supreme Decree No. 199 (1974) provides that fields under cultivation fulfilling “the social function” will, if subject to expropriation, be appraised by the Department of Appraisals and paid for in cash, not in government bonds.

Supreme Decree No. 201-B (1974) established the National Committee for Technical Cooperation and Economic Assistance.

The following laws, among others, were also promulgated or modified per the Supreme Decree (S.D.) indicated: Vegetable Health Law (S.D. 475, 1974); Mining Development Law (S.D. 101, 1974); Electrical Law (S.D. 135, 1974); Agricultural Warehousing and Commercialization Law (S.D. 156, 1974); Bar Association Law (S.D. 201-A, 1974); Civil Aviation Law (S.D. 236, 1974).
In the international area the following legal developments, among others, took place per the Supreme Decree (S.D.) indicated.

Ratification of: Resolutions adopted at the XXXVI Meeting of the Organization of Oil Exporting Countries (S.D. 1363, 1973); South American Agreement on Drugs (S.D. 951, 1973); International Sugar Agreement (S.D. 500, 1974).

Further, the following agreements were signed: With Ecuador revisas for diplomatic, official and special passports (S.D. 1456, 1973); with Rumania for economic, industrial and technical cooperation (S.D. 1452, 1973), and with the same country on cultural cooperation (S.D. 1453, 1973), and on commercial matters (S.D. 1455, 1973); and, with the United States relative to the Inter-American Geodesic Service (S.D. 1455, 1973). Multilaterally, Ecuador subscribed to the Convention on Privileges and Immunities for the Organization for the Prescription of Nuclear Arms in Latin America (S.D. 138, 1974).

Beginning in mid-November, 1973 Ecuador stepped up the pace in the area of statutory enactments. This activity continues in 1974 and the Legislative Commission has presented to the Government approximately sixty-nine additional laws which seek to stimulate economic development and the establishment of a new legal basis for the nation.

EL SALVADOR

Decree No. 86 (1973) regulates the weight, measurements and load of vehicles using the public highways and roads.

Decree No. 458 (1973) excepted from the provisions of the Forestry Law (Decree No. 268, 1973) the cutting and trimming of coffee trees or those trees which serve to provide shade to the coffee trees.

Decree No. 476 (1973) establishes incentives for foreigners who wish to take permanent residence in El Salvador. The law is similar to the one recently enacted in Guatemala and earlier in Costa Rica.

Farm laborers were benefited under Decree No. 499 (1973) which imposes on the employer the duty to provide a daily ration of food. The amount depends on the number of hours worked.

An issue of governmental bonds amounting to $54 million was sanctioned by Legislative Decree No. 500 (1973).
Reforms to the Commercial Code were introduced by Decree No. 501 (1973), and to the Law of the Commercial Registry by Legislative Decree No. 504 (1973).

Decree No. 506 (1973) extended the benefits of Decree No. 471 (1961)—Law for the Promotion of Aviculture—for three years, to December 28, 1976.

The official Paper and Stamp Law was amended by decree (D.O. 207 of November 8, 1973).


The basis for a commercial treaty with the USSR has been established; a similar treaty is also contemplated with Hungary.

GUATEMALA

Regulations for private finance companies issued by the Monetary Board were published in the Diario Oficial of December 17, 1973.

The minimum sales price for wheat produced in Guatemala was published in the Diario Oficial of December 20, 1973.

Decree No. 91 (1973) approved an amendment to Article 56 of the Convention on International Civil Aviation signed at Vienna on July 7, 1971.

Decree No. 93 (1973) approved the Nicaraguan Protocol of October 15, 1973 extending the life of the Protocol to the Central American General Treaty of Economic Integration.

Decree No. 96 (1973) eliminated certain exceptions previously granted with regard to duties on fuel oil. Regulations covering this subject were promulgated by Governmental Agreement on December 19, 1973. Ministerial Regulations Nos. 80 and 81 of December 21, 1973 and of 8 January, 1974 are also pertinent.

Decree 1 (1974) approved an agreement with France relating to the elimination of visas between Guatemala and that country.
While the energy crisis persists, national airlines and maritime companies are relieved of certain obligations under Decree No. 6 (1974).

In the *Diario Oficial* of January 14, 1974 the President of the Republic ratified the adhesion of Guatemala to the Agreement on Cotton Textiles and the extension thereto, signed in Geneva in 1960 and 1970, respectively.

On January 8, 1974 the President of Guatemala signed an *Acuerdo* which exonerated delinquent taxpayers from penalties they had incurred for failure to make tax payments due on schedule. A grace period until 31 March, 1974 was granted to make payments overdue.

In May, 1974 a prohibition against traveling to Socialist countries was lifted in Guatemala. The restriction, imposed in 1954 immediately after the overthrow of the Arbenz regime, was opposed by local travel agencies for commercial reasons. The legal basis for lifting the restriction was its incompatibility with constitutional provision guaranteeing freedom of travel.

**HONDURAS**

On January 1, 1974, Honduras Chief of State declared publicly that "...considering that the nation's forest resources have been improperly exploited in the light of the nation's interest, the forestry policy will place the total and effective control of the forests under the government...." This declaration was followed by Decree-Law No. 103 of January 15, 1974 creating the Honduran Forestry Development Corporation (COHDEFOR), a semi-autonomous governmental agency, to exploit the nation's forestry resources and to insure their protection, improvement and conservation in line with Honduras' economic and social development (Art. 1). The Corporation will be under the overall direction of a Management Council presided by the Chief of State (Art. 9), and under the immediate management of a General Manager (Art. 14). Art. 5 provides that it is the function of the State, through COHDEFOR, to control all forests located in State and private lands, and under the same article COHDEFOR is charged with the conservation, reforestation, exploitation of the forests and with the industrialization and commercialization of the products derived therefrom. Art. 5 further provides that when the forests are privately owned, the owners thereof are obliged to comply with the programs developed by COHDEFOR, but under Art. 6 will receive compensation to be determined by COHDEFOR. Art. 7 provides
that the cutting, sawing and impregnation of the wood and the extraction and distillation of resins will be done by COHDEFOR directly or through enterprises of mixed or private capital comprised totally of Hondurans, or through peasant associations or cooperatives. It adds that the industrialization of forestry resources will also be carried out by COHDEFOR or the enterprises mentioned immediately above, but makes provision for foreign capital to participate in the ventures, not in excess of 49% of the capital of the particular enterprise. Art. 24 charges COHDEFOR with the task of organizing the Social Forestry System under which Honduran farmers are to associate in working groups and cooperatives, among others, to protect and take care of the forests. These associations will participate in the benefits accruing from the exploitation of the forests. Art. 27 provides heavy sanctions for non-compliance with the law. Art. 29 gives COHDEFOR and subsidiary organizations under its control the right to use private lands to carry out their objectives, but provides compensation for any damages suffered or for loss of use. The return of lands illegally occupied in public forests is mandated by Art. 31, and so is the presentation of documents attesting to ownership of forest lands. Failure to comply with the last provision leads to the conclusion that the forest lands in question are State owned. Art. 32 and 33 deal with the status of permits already issued, and Art. 34 holds in abeyance requests for permits now pending. Art. 39 and the articles immediately following deal with the status of wood export contracts and, in essence, makes these subject to the supervision of COHDEFOR. Art. 49 forces foreign partners or stockholders owning more than 51% of the capital of companies manufacturing furniture, plywood or similar products to sell or transfer to COHDEFOR, Honduran citizens, or companies totally owned by Hondurans at least 51% of the capital of the partnership or companies. Art. 45 provides that the present law derogates specified articles of the Forestry Law (No. 85, 1972) and all other laws in conflict therewith. The new law was made effective on January 15, 1974 (Art. 46).

On 26 April, 1974, Honduras made effective the new tax on banana exports amounting to $01.2 per pound. The tax revenues are destined to assist financing the National Development Plan and strengthening the banana industry.

MEXICO

A decree (D.0. November 21, 1973) created the National Cacao Commission, with distinct juridical personality and patrimony.
On 22 November, 1973 the Air Transport Agreement with Canada (1961) was amended.

On November 29, 1973, a Federal Education Law became effective. In Mexico, education is governed by Art. 3 of the Constitution of 1917 which embodies a liberal concept of education and stresses its social importance. The new law's seven chapters include general provisions, definition of the elements and characteristics of the national educational system, assignment of educational functions to federal, state and municipal authorities, guidelines for the preparation of study plans and programs, educational rights and duties, procedures and requirements for official accreditation of studies, and penalties for infringement of the law. General provisions state that the law is designed to regulate education provided by the federal, state and municipal governments. The provisions are of a public nature and social interest. Officials at these three levels of government are responsible for their application. The educational system is made up of three levels: elementary (pre-school and primary education), intermediate (secondary and preparatory) and advanced (university studies leading to master's and doctor's degrees). Pre-school education is not required for entering primary school which is compulsory. Article 23 provides that “The State, its autonomous agencies and officially accredited private institutions shall issue certificates, diplomas and academic titles and degrees to persons who have completed intermediate or advanced studies in accordance with the requirements set forth in corresponding study programs. These certificates, diplomas, titles and degrees shall be recognized in any part of the country. In the chapter on distribution of the educational task, the State is assigned the following functions:

1) Promote, establish, organize, direct and maintain educational, scientific, technical and artistic services in accordance with national and regional needs;

2) Formulate study plans, programs and assessment procedures, and suggest guidelines for applying teaching methods;

3) Publish books and produce other educational material;

4) Establish and promote educational services aimed at continuous teacher improvement;

5) Increase scientific research;

6) Promote and disseminate cultural activities;
7) Undertake campaigns for raising cultural, social and economic levels, especially of underprivileged rural and urban groups;

8) Issue transcripts and certificates for studies completed and grant diplomas, titles and degrees;

9) Revalidate studies and establish scholastic equivalencies;

10) Grant authorization to private persons to provide primary or secondary education, teacher training or any kind of education for workers or farmers, or deny or revoke such authorization;

11) Grant, deny or withdraw, at its discretion, official accreditation of studies differing from those specified in the section above, provided by private persons;

12) Ensure that education provided by private persons is in accordance with the provisions of the law, and

13) Carry out other activities established by the law and other legal provisions.

The Federal Executive, through the Public Education Ministry, is empowered to implement education without impinging on functions assigned to the states; prepare national plans and programs for primary and secondary education, teacher training, or any other education provided for workers and farmers; supervise the use of educational material in these areas; prepare free primary school textbooks and maintain them up-to-date; set up a national registry of teachers, students and educational institutions; encourage the exchange of one educational subject or curriculum for another; foster international cooperation programs in the field of education, research and culture, and supervise observance of the law and its regulations. The National Technical Council on Education is maintained as an advisory body for education officials to propose study plans and programs and establish general guidelines for the country's educational policy. Violation of either the provisions of Constitutional Article 3 or of those established in the new law is punishable by revocation of authorization granted to private persons. If violation occurs within the school year, permission may be granted to complete the year in order not to interrupt studies or adversely affect the student body. The use of mass media in education shall be subject to pertinent laws and regulations. Another chapter of the law deals with guidelines for the preparation of study plans and programs based on development of the pupil's initiative, sense of responsibility and general capacity; on stimulation of individual
and group work, and on increasing communication among pupils, teachers and parents. These guidelines should contain the specific goals of education, appropriate educational methods and activities for achieving these goals, and testing procedures. The law establishes equal opportunity of access to the national educational system. It points up the need for just remuneration of teachers and incentives to promote better performance of their duties, at the same time indicating their duty to comply with teaching requirements established by the authorities. Parents or guardians of children under 15 years of age may participate in the solution of educational problems, improvement of school buildings and in organizing parent associations. Their duty is to register their children in primary school, cooperate with education officials and seek solutions to behavior or learning problems. Parent associations represent their members in relations with school officials. They may participate in school community development and in the allocation of their contributions within the community, but in no way interfere in technical and administrative matters. Studies completed outside the national system shall be officially accredited on the basis of type of education, school year or subject, provided they are compatible with and equivalent to those of the national system.

Art. 3018 of the Civil Code was amended (D.O. December 28, 1973). The amendment provides for preliminary warnings to the Land Registry by notaries or other authorities before whom deeds affecting rights in real estate are presented for notarization.

A decree grants the Executive authority to pledge the credit of the nation for industrial development through the issue of Mexican Government bonds (D.O. December 28, 1973).

The Regulation of the National Registry of Foreign Investments (D.O. December 28, 1973) implements the Law to Promote Mexican Investment and to Regulate Foreign Investment (5 Law. Am. 332, 1973). The regulation provides that foreign persons or companies shall request their registration within one month following the date on which they have acquired shares in Mexican business enterprises. Requests shall be submitted in Spanish to the Ministry of Industry and Commerce either personally or by registered mail. Application for registration shall also be submitted within this period by those who have acquired or leased a Mexican business enterprise; foreign persons who have established a company, and those who, by any title, are empowered to determine the management of a business enterprise.
Mexican enterprises, a share of whose capital is held by one or more foreign investors, shall request their registration within the month following the date on which such investments have been accepted. The same applies to a Mexican enterprise in which one or more foreign investors have the power to determine management of the enterprise. Mexican fiduciary institutions shall request the registration of trusts in which foreigners participate, in the month following the date on which the trust is constituted or the acts from which rights are derived for foreigners are undertaken. The Registry shall be informed of any modification in the trust within one month after it occurs.

Foreign investors who hold securities representing the capital of Mexican business enterprises shall apply for registration within thirty days following the acquisition. Bearer securities shall contain an annotation indicating that they have been converted to nominal securities. Foreign investors who acquire shares in Mexican business enterprises through a stock exchange in any part of the country shall request their registration and that of their securities within one month of the date on which the acquisition was made. Otherwise, they may not attend any meeting of stockholders. In the case of shares of a Mexican enterprise negotiated abroad, the issuing company shall prove to the Registry that such shares are registered with a stock exchange established outside the country, or that they have been negotiated abroad through brokers or credit institutions. At the time of purchase, shares shall be made nominal in order that the company may legally pay dividends. Shareholders may exercise the other rights attributed to them once they have been duly registered. It should be noted that foreign immigrants shall not be required to register their investments, except when, because of their activity, they are linked to foreign centers of economic decision or their activity is the object of specific regulation. This Regulation complements the instruments created for full application of Mexican foreign investment policy and the law on which it is based.


An increase in governmental guarantees for loans granted by the World Bank, and an amendment to Art. 2 of the Mexican Monetary Law (fixing denominations for paper money and general characteristics of coins) are covered by decrees (D.O. December 31, 1973).
The law regulating Art. 5 and 6 of the Constitution relating to the exercise of the professions was amended by decree (D.O. January 2, 1974).

The General Credit Institutions and Auxiliary Organization Law was amended by decree (D.O. January 3, 1974).

The General Population Law (D.O. January 7, 1974) aims to regulate the volume, structure, dynamics and distribution of the population in order that it may share equally in the benefits resulting from economic and social developments (Art. 1). The Secretary of Interior is charged with promulgating directives, among others, to: carry out family planning programs, reduce mortality, control foreign immigration and promote integration into the national life, limit emigration of Mexican nationals when required, promote population centers in border areas sparsely populated (Art. 3). Chapter II covers Migration; Chapter III, Immigration; Chapter IV, Emigration; Chapter V, Repatriation; Chapter VI, the Population and Personal Identification Registry; Chapter VII, Penalties; Transitory Articles, including one abrogating the General Population Law of December 23, 1947, as amended.

1974 has been designated as the “Year of the Federal Republic and Senate” (D.O. January 8, 1974).

A National School of Fruit Cultivation was established (D.O. January 21, 1974) to train personnel in different phases relating to the production, commercialization and industrialization of fruits.

Art. 93 of the Constitution was amended (D.O. January 31, 1974) to provide that Secretaries of the Cabinet and Bureau Chiefs will report the status of their entities to the Congress once the yearly regular Congressional session is opened.

Special warehousing of export goods in various parts of Mexico was authorized by decree (D.O. February 6, 1974) in order to promote exports. The decree also sets the tariffs to govern the different merchandise and the types of warehousing required by the exporter.

D.O. of February 7, 1974 contains decrees approving, among others; the Protocol relative to Commercial Negotiations between Developing Countries, Geneva, December 8, 1971; Resolution 264 of the International Coffee Council (1968); Agreements with Cuba on Hijacking of Air and Maritime Vessels, Havana, June 7, 1973; Protocol Relating to an Amendment to the International Civil Aviation Convention, New York, March 12,

Sample registration forms for the National Registry of Foreign Investments are found in D. O. of February 14, 1974.

The functions of the Mexican Petroleum Institute, established by decree on August 23, 1965, are broadened by decree (D. O. February 21, 1974).

The Organic Law of the Judicial Tribunals was amended by decree (D. O. March 5, 1974).

Art. 107 of the Constitution was amended to include a provision relating to amparos affecting the rights of minors or incompetents. (D. O. March 20, 1974)

NICARAGUA

On March 18, 1974 the Constitutional National Assembly approved a new constitution, the tenth in 140 years. It is to become effective when published in the Gaceta Oficial.

On April 16, 1974 a decree of the Junta de Gobierno imposed censorship on the news, radio and television media to safeguard peace and good order. The decree was to remain in effect as long as the causes which prompted the measure existed.

On October 31, 1973 Nicaragua deposited its ratification to an amendment to the Convention on International Civil Aviation.

An agreement with the United States to extend an agreement of September 5, 1972 on trade in cotton textiles became effective on January 18, 1974.

PARAGUAY

Law No. 417 of November 13, 1973 (General Banking Law) sets forth in detail the regulations which will govern banking operations, as well as those of other financial institutions.
On December 4, 1973 the Banco Nacional de Trabajadores was established through statutory enactment. Purpose of the Bank is to encourage savings and to help workers obtain credit on more liberal terms. Initial capital is 100 million guaraníes; authorized capital 600 million, of which the Government will contribute 10%.

On March 5, 1974 Paraguay deposited its ratification to the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation.

An extradition treaty with the United States was ratified by the United States on November 21, 1973.

PERU

The following Decree-Laws (D. L.), Supreme Decrees (D. S.), Supreme Resolutions (R. S.), Directory Resolution (R. D.) and Resolutions (R), among others, were promulgated in the year indicated.

D. L. 20214 (1973) promulgated norms to facilitate mortgage credits in order to encourage the construction and improvement of housing.

A uniform discount of 15% was decreed (D. L. 20218, 1973) for air travel within Peru to benefit members of certain organizations, e.g. judiciary, armed forces, student groups, among others. Only national airlines are affected.

D. S. No. 275-1973-EF requires business associations to report their financial status in accordance with the General Accounting Plan, approved by R. S. 450-1973-EF/11.

The regulations pertaining to the organization and functions of the Department of Financial Affairs were approved by D. S. No. 286-1973-EF. The above department, within the Ministry of Economy and Finance is charged with advising the Ministry on all financial matters relating to the Ministry and to render technical assistance to the Monetary Policy Council and to the Superior State Banking Council.

The Regulations of the Mining Community (D. S. No. 025-1972-M/DS) were amended by D. S. No. 042-1973-EM/DS and by D. S. No. 002-1974-EM/DS.

Incentives available to industry in general are extended to newly created industries from the time of incorporation under D. S. No. 029-1973-IC/DS.
On the grounds that fishing activities can be restricted by the Ministry of Fisheries to meet the socio-economic needs of the country, protect existing resources, and insure the highest productivity and efficiency of fishing companies, R. M. No. 01215-1973-PE establishes dimensions for fishing nets used along the Peruvian coast. D. L. No. 20493 (1974) authorized the Ministry of Fisheries to execute a contract to carry out investigation of coastal waters, with particular reference to the growth of mollusks.

D. L. No. 20231 (1973) authorized the establishment of a state company denominated *Industrias Militares del Peru* (Indumil-Peru) whose objective is to carry out commercial activities to supply material which, because of its special nature, should be produced under the supervision of the Armed Forces.

D. L. 20237 (1973) promulgated the organic law of the Scientific and Technological Mining Institute, created in accordance with the General Mining Law (No. 18880). The Institute is charged with the promotion, coordination and implementation of scientific and technical research in the mining field.

The organization of the Financing Fund to Promote Industrial Enterprises was modified by R. S. No. 445-1973-IC/DS.

A commission to coordinate the work preparatory to the promulgation of the Regulations for the Sanitary Code was designated by R. D. No. 000276-1973-SA/DS.

D. S. No. 019-1973-TR contains the organizational regulations and functions of certain entities pertaining to Peru’s Social Security System.

The Organic Law of the National Assistance Board was promulgated by D. S. No. 20499 (1974). The Board, within the Health Regime of the nation, aims to promote social welfare in the neediest sectors of the country, family unity, and the education of mothers and children.

Petroleum Offices may be established in Peruvian consulates abroad under D. S. No. 001-1974-RE.

Business associations desiring to offer their securities for public sale must comply with new requirements set forth in a resolution of the National Supervisory Commission of Associations and Securities (R. CNSEW-086-1973-EF/94.01).

D. L. 20492 (1974) announced the planned nationalization of the Cerro de Pasco mines which was carried out on January 1, 1974.

The procedure governing expropriation of basic industries is set forth in D. L. No. 20525 (1974), and R. S. No. 0030-1974-PM/ONAJ named a commission to advise the Ministerial Commission in charge of the negotiations with the U.S. government relating to the expropriation of U.S. property in Peru. Decree No. 20.528 (1974) approved the agreement with the United States regarding certain expropriated properties. The agreement was signed in Lima on February 19, 1974.

D. L. No. 20512 (1974) provides that the acquisition of aircraft, engines, and other aeronautical material must have prior approval of the Ministry of Aeronautics.

Import duties on specified goods are set as close as possible to those listed in the Common External Tariff (Decisions 30 and 33 of the Cartagena Accord), under D. L. No. 20519 (1974).

A Special Commission to draft the Regulation of the Rights of Authors Registry was constituted by R. D. No. 002624 (1974).


The Social Property Law is scheduled to become effective on May 1, 1974.

**UNITED STATES**

The following is the status of some legislation of international interest being considered by the 93rd Congress.

*Energy Bills* - The Senate, on March 6, 1974, sustained a presidential veto on the Energy Emergency (S2589) bill granting the President authority to impose rationing and energy conservation plans. New energy bills (HR13834) and (S3267) have been introduced.

*Foreign Trade Bill* (HR1070) giving the President broad authority to negotiate for reductions in trade barriers. The bill passed the House on December 11, 1973 and Senate hearings ended on April 10, 1974.
Sugar Act (HR12525) extends for five years legislation allocating sugar quotas to foreign and domestic growers. Hearings completed on March 8, 1974.

OPIC Bill (S. 2957) which would transfer from OPIC to private insurance companies issuance of political risk insurance for overseas investors, passed the Senate. On April 30, 1974 the House Foreign Affairs Committee approved the bill in a slightly different form but maintained its original thrust—to transfer responsibility for writing political risk insurance from OPIC to private insurance companies.

The following bills, among others, were signed by the President: Public Law (PL)93-188 providing for U. S. participation in the U. N. Environment Program; PL 93-189 authorizing $2.4 billion for foreign economic and military assistances for fiscal 1974; PL 93-193 amending International Travel Act to allow charging entrance fees for travel exhibits; PL 93-248 implementing the International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties (1969); PL 93-254 implementing the Convention on the Prevention of Marine Pollution by Dumping of Wastes and other Matters.

An amendment to a State Department and U. S. Information Agency appropriation bill calls for a new U. S. policy towards Cuba. The amendment, approved unanimously by the Senate Foreign Relations Committee on April 23, seeks the sense of the Congress to the effect that the existing policy towards Cuba should be reviewed. The above committee action preceded U. S. approval on April 18 of the sale to Cuba of trucks and cars by U. S. owned companies in Argentina, which State Department labelled “an exception” to U. S. policy.

Preliminary drafts of six chapters of the Tariff Schedules of the United States (TSUS), written to conform to the format of the Brussels Tariff Nomenclature (BTN), have been released by the U. S. Tariff Commission. The drafts relate to Chapters 25, 68, 69, 70, 72 and 97.

In the treaty area the following actions by the United States are noted: Aviation, Fisheries and Tax treaties with Rumania signed on December 4, 1973; extension of Air Agreement with Mexico, signed on December 5, 1973; Convention on Prevention and Punishment of Crimes Against Internationally Protected Persons, signed on December 28, 1973; International Convention for Prevention of Pollution from Ships, signed on March 7, 1974; Agreement with Mexico on Curbing Traffic on Illegal Narcotics, entered into force on December 21, 1973; Agreement
on International Trade in Textiles, in force on December 28, 1973; Convention for Protection of Producers of Phonograms, in force on March 10, 1974; and on February 7, 1974 the United States entered into an agreement with Panama on principles for negotiation of a new Panama Canal Treaty.


URUGUAY

Decree No. 943 (1973) of the Council of Ministers published the decree of March 1, 1967, updating with all modifications since 1967, the attributions and duties of all the Ministries.

Decree No. 1.005 (1973) of the Council of Ministers promulgated a policy statement recognizing the lack of computerized data gathering systems, and created a National Commission (CONADI) to bring all resources to bear on making use of developments in this area.

Decree No. 1.026 (1973) of the Council of Ministers provides that due to the continuing political difficulties in the country, certain "illicit associations" be disbanded, their meeting places closed and properties seized. Decree No. 1.027 (1973) forbids any gathering of university students without previous government authorization.

Law No. 14.179 (1974) provides the basic rules for foreign investment. Art. 1 defines foreign investment as all capital originating outside Uruguay, and accords the right to repatriation of the capital per se and of profits deriving therefrom. The article further states that foreign investment may be of various types (foreign exchange, machinery, patents, etc.) and that its valuation will be in accordance with the norms applicable to the income tax relating to Industry and Commerce. Art. 2 restricts the rights and duties emanating from the law to natural and juridical persons domiciled abroad. Art. 3 authorizes foreign investment in all areas relating to economic and social develop-
ment, but subjects it to the national interest. Special Executive authority is required, however, for investment in, among others, the following areas: electricity, hydrocarbons, petrochemicals, telecommunications, as well as those reserved to the State. An Advisory Committee is created to assist the Executive reach a decision with respect to cases covered by Art. 3; the Committee is to issue an opinion within 30 days from the filing of the request for the foreign investment (Art. 4). The authorization to invest carries with it a guarantee to repatriate profits and capital invested under the norms established by the law (Art. 6). The Central Bank will provide the necessary foreign exchange at specified rates (Art. 7), but invested capital can not be repatriated within 3 years (Art. 8). Art. 10 defines a foreign company as one whose capital, originating outside Uruguay, exceeds 50% of the total capital, and whose management decisional power lies outside the country. Foreign companies may not resort to long range nor medium range local financing; local short term financing is also not allowed, except in exceptional circumstances (Art. II). Art. 13 gives foreign companies already operating in Uruguay the option to come under the new law; those who choose not to do so will continue to be governed by existing statutory enactments. The Executive is charged with the issuance of the required regulations (Art. 12).

An extradition treaty with the United States was ratified by the United States on November 21, 1973.

VENEZUELA


Decree No. 1.508 (1973) deals with the partial Regulation to the Customs Law (Principal and Subsidiary Offices).

Governmental Ministries, autonomous institutes, state enterprises and foundations established by the Executive are required to promote scientific and technological research under Decree No. 1.530 (1973).

The Regulation of the Judicature Council was promulgated in G. O. No. 1.628 (Ex.) of December 3, 1973. The Council, contemplated in Art. 217 of the Constitution and established under Art. 34 of the Organic Law of the Judiciary, is responsible for the independence, efficacy,
discipline and decorum in the courts, as well as the welfare of the judiciary in accordance with pertinent laws.

Decree No. 1.532 covered the regulation relating to the Conversion (Refinancing) of the Agricultural Debts Law (Law of August 29, 1973).

The functions of the Department of Assets Subject to Revision (Dirección de Bienes Afectos a Reversión) are set forth in Decree No. 1535 (1973).

The National Securities Commission promulgated the requirements and procedures relating to the registration of the Sociedad Anónima Inscrita de Capital Abierto (SAICA) (G. O. No. 30.291 of December 29, 1973). And, in the same Gaceta Oficial the Commission also regulated the activities of brokers in securities and their registry requirements, and issued regulations covering investment societies. Lastly, the Commission set forth the requirements for registration in the Registry of Public Accountants.

Decree No. 1563 (1973) regulates the Labor Laws and Decree No. 1.563 (1973) partially amended the regulations relating to sanitary and safety conditions at work.


Licenses to exploit radio and television stations are reserved to Venezuelan citizens, natural and juridical. (Decree No. 1.571, 1974).

Public Notarial Offices are regulated by Decree No. 1.573 (1974), and the following Decree (No. 1.574) regulates University Colleges and Institutes.

Decree No. 1.576 covers the National Securities Registry in which will be registered all securities subject to registration under the Capital Markets Law.

The Export Incentives Law is regulated by Decree No. 1.588 (1974).

Regulation 1 to the Law Reserving to the State the National Gas Industry is set forth in Decree No. 1.613 (1974).

In the months of February and March, Venezuela entered into Technical Cooperative agreements with Bolivia, Argentina, Brazil, Ecuador, Spain, Mexico, Haiti and Rumania. During the same period agree-
ments concerning diplomatic visas were concluded with Spain and Argentina.

The Ministry of Mines and Hydrocarbons promulgated a regulation (G. O. No. 30.336 of February 21, 1974) establishing Data Banks for Oil Wells.

Regulation 1 to the law establishing a fund for research on the subject of hydrocarbons and providing for the training of personnel was promulgated under Decree No. 1.638 (1974).

Decree No. 1647 regulates the law which establishes a Fund to Finance Exports, and Decree No. 1.673 regulates the Law of Tourism.

A foundation to conduct basic and applied research in foodstuffs to promote the export of agricultural products was established under Decree No. 1.674 (1974).

A commission to study and analyze the alternatives available to the country to accelerate the reversion of hydrocarbon concessions was created by Decree No. 10 (1973). Decree No. 11 established a commission to study possible reforms with regard to autonomous entities and State enterprises, and Decree No. 13 a commission to study the National Planification System.

Decree 23 (1974) imposed a 90 day freeze on prices of goods and services, commencing March 22. The level of prices on January 15 was chosen as the base.

President Perez' message to the Congress late in April raised many issues of paramount interest and concern to the foreign investors. Statutory enactments and regulations covering the matters included in his speech will, without doubt, be forthcoming in the months to come.