

**INTERNATIONAL
COVENANT
ON CIVIL AND
POLITICAL RIGHTS**



Distr.
GENERAL

CCPR/C/1/Add.29
29 June 1978

ENGLISH
Original: SPANISH

HUMAN RIGHTS COMMITTEE
Fourth session

CONSIDERATION OF REPORTS SUBMITTED BY STATES PARTIES
UNDER ARTICLE 40 OF THE COVENANT

Initial reports of States Parties due in 1977

Addendum

ECUADOR^{*/}

[26 June 1978]

1. As a fundamental move in the return to a normal constitutional régime, the Ecuadorian people, in a referendum held on 15 January 1978, approved a new Political Charter which will enter into force when the President of the Republic to be chosen in elections scheduled for 16 July next is installed in office.
2. For this purpose the National Government has drawn up and promulgated appropriate laws relating to elections and political parties, and has set up a Supreme Electoral Tribunal to supervise the conduct of the elections.

^{*/} Additional information submitted by the Government of Ecuador in connexion with the initial report of Ecuador (CCPR/C/1/Add.8) which was considered by the Committee at its 31st and 32nd meetings on 19 August 1977 (see CCPR/C/SR.31 and 32).

The following annexes and reference material, submitted together with the present document, are available for consultation in the files of the Secretariat in the original language:

1. Decree 1482 - reaffirming the full legal capacity of the married woman.
2. 256 - C.L.P. - Amendments to the Civil Code.
3. Decision No. 24 - Common System governing Foreign Capital, Trademarks, Patents, Licences and Royalties.
4. Exercise of the Profession of Journalist Act.
5. Radio Broadcasting and Television Act.
6. Decree 1348 and Regulations of the National Office of Public Information.

3. Since the report submitted by Ecuador under article 40 of the International Covenant on Civil and Political Rights (CCPR/C/1/Add.8) specifically mentions the guarantees established by the Constitution promulgated in 1945 and now in force, the present supplementary report reproduces as far as possible the provisions of the new Political Charter to which reference is made in paragraph 1 above.

4. With regard to the questions put to the representative of Ecuador by members of the Committee, in particular that concerning the option open to citizens to denounce before the courts any violation of the rights embodied in the International Covenant on Civil and Political Rights, information is furnished below.

5. The fundamental principle of the Ecuadorian State is to ensure the supremacy and observance of the Constitution. To this end, the new Constitution has provided appropriate machinery in the form of the Tribunal of Constitutional Guarantees, which has its origins in the constitutional history of Ecuador. Its function is to protect citizens against any violation of the Constitution by the public authorities; violations by individuals are sanctioned by penal law.

In order to ensure the representative status and the effectiveness of the Tribunal, article 140 of the Constitution stipulates that it shall be composed of three members elected by the National House of Representatives, the President of the Supreme Court of Justice, the Procurator General, the President of the Supreme Electoral Tribunal, a representative of the President of the Republic, a representative of the workers, a representative of the industrial organizations, and two citizens' representatives.

The functions of the Tribunal are laid down in article 141 of the Basic Law. They are: "1. To ensure the application of the Constitution by the authorities and other public administration officials; 2. To comment on decrees, agreements, regulations or resolutions that are at variance with the Constitution or the law, after hearing the case of the promulgating authority or body. If these comments are not accepted they shall be published in the press by the Tribunal and placed for consideration and decision before the National House of Representatives or, if the House is not in session, before the plenary Legislative Commissions; 3. To receive complaints from any natural or juridical person concerning violations of the Constitution; to prepare the charge against those responsible and, without prejudice to the provisions of penal law, to submit the case to the National House of Representatives or, if it is not in session, to the plenary Legislative Commissions, for prosecution or order to prosecute; 4. To perform any other functions assigned to it by the Constitution and the law."

6. As stated in the initial report, the list of guarantees and rights embodied in the Constitution of 1945, now in force, does not exclude others which are inherent in the human personality or which the Ecuadorian State, by a deliberate and spontaneous act, has incorporated in its domestic legislation by becoming a party to international instruments or declarations relating to human rights.

The new Constitution expressly stipulates this general rule in article 44:

"The State guarantees to all individuals under its jurisdiction, without distinction as to sex, the free and effective exercise and enjoyment of the civil, political, economic, social and cultural rights embodied in the international declarations, covenants, agreements and other instruments in force."

7. With regard to the concern expressed by members of the Committee about the content of paragraph 17 of article 141 of the Political Constitution of 1945, now in force, which lays down that the State guarantees the right of petition and that an official or authority who receives such a petition is obliged to take action within thirty days, the Committee is informed that this constitutional principle is supplemented by article 11 of the Civil and Administrative Service Act, which stipulates that:

"The public servant who fails to fulfil his obligations or infringes the said law or any of the related regulations or laws, shall be liable to administrative disciplinary measures without prejudice to his civil or penal liability in respect of the said act."

8. Article 12 of the Act sets out, in order of gravity, disciplinary measures ranging from the admonition to dismissal of the public servant concerned, the latter sanction being applicable in the event of failure to vindicate his administrative conduct.

9. With regard to the request for clarification as to whether the law recognizes the right of any individual, even if he is neither the victim nor the victim's representative, to denounce a violation of human rights to the courts, the Committee's attention is drawn to article 19 of the recently approved Constitution, which reads:

"All persons shall enjoy the following guarantees:

9. The right to submit complaints and petitions to the authorities, provided they are not submitted in the name of the people, and to receive appropriate attention or replies within the time-limits laid down by the law."

10. The functions and duties of the Tribunal of Constitutional Guarantees include that of examining complaints submitted by any person concerning violations of the Constitution or the law.

11. As to the measures adopted by the Government to reduce infant mortality, priority attention has consistently been given by the Ecuadorian Government to this matter, mainly through the Ministry of Public Health which has extended medical assistance to sectors which, because of inadequate means of communication are isolated from population centres. Similarly, the Ecuadorian Social Security Institute has vigorously promoted the establishment of hospitals and medical aid centres throughout the Republic.

12. In this connexion, article 150 of the Political Constitution in force stipulates that:

"The public authority has an obligation to seek to reduce infant mortality and abolish alcoholism."

13. With respect to the information requested concerning the protection of accused persons and, more particularly, of persons held in protective custody, the Political Constitution in force contains the following provision on the subject:

"Article 141. The State guarantees: ... 4. Personal freedom and security. There is no imprisonment for debts, costs, fees, taxes, fines nor, in general, other obligations of a civil nature. Recruitment not carried out in accordance with military laws is prohibited. Any statement that entails a loss or renunciation of inalienable rights shall not be valid. No-one may be detained, arrested or held prisoner except in the manner and for the length of time prescribed by law, or held incommunicado for more than 24 hours. Detention shall be by written order from the competent authority, except in the case of flagrans crimen. Within 48 hours of the arrest of an individual, at most, the judge or the authority who ordered the arrest shall issue a signed order in which he specifies the legal reasons for incarceration. Any authority who fails to meet this requirement and any guard who does not obtain the order within the stated period shall be punished as guilty of arbitrary arrest."

14. Article 2 of the Ecuadorian Penal Code prescribes that:

"No-one may be punished for an act which is not expressly declared an offence by the criminal law, nor suffer any penalty which is not defined therein"

15. On this point, article 88 of the Code of Penal Procedure states:

"Before a criminal charge is brought, and as an exceptional procedure, the provisional detention of a person may be ordered on the basis of verbal reports which establish evidence of the offence and the relevant presumptions. The judge shall order detention in writing, mentioning in the order the offence attributed to and the evidence existing against the person whose arrest is ordered. This period of detention may not exceed three days, during which time the appropriate investigation shall be undertaken and a report prepared, and the situation of the detainee shall be resolved either by his release from detention or by a detention order in accordance with the provisions of the law"

Article 91 provides:

"Persons provisionally detained shall be held in a place separate from that in which convicted persons are kept."

16. The provisional detention referred to in the articles quoted is designed to protect individual and social interests by apprehending persons allegedly guilty of offences in order to ensure the processes of law. Nevertheless, since the purpose of law is to guarantee freedom, the competent authorities may order such detention only on the basis of special proofs specified in the law and after the formal and substantive requirements prescribed by the law have been fulfilled. In the event of any violation of such provisions, the Ecuadorian State has included in its penal legislation penalties for arbitrary and illegal detention or imprisonment. These are contained in articles 180-185 of the Penal Code, which are quoted below:

"Article 180. Public employees and representatives and agents of the public authorities or forces who have illegally and arbitrarily arrested or caused to be arrested or detained or caused to be detained one or more persons, shall be imprisoned for six months to two years and fined 80-200 sucres. They may, in addition, be sentenced to a suspension of citizenship rights for two to three years.

Article 181. A person in authority who orders the confinement of a person in contravention of the provisions of the Constitution shall be imprisoned for six months to two years.

Article 182. Any official who retains a detainee or person whose release he should have ordered or effected shall be imprisoned for six months to two years, as shall anyone who unduly prolongs the detention of a person, without bringing him before the competent judge.

Article 183. Any person who, except on the order of the constituted authorities and in cases in which the law and regulations permit or order the arrest or detention of private citizens, has arrested or caused to be arrested, detained or caused to be detained any individual, shall be imprisoned for two months to two years and fined 40 to 80 sucres, unless such arrest or detention constitutes an offence for which a more severe punishment is prescribed.

Article 184. If the illegal and arbitrary detention has lasted more than 10 days, the period of imprisonment shall be from six months to three years, and the fine from 40 to 100 sucres.

Article 185. If illegal and arbitrary detention has lasted more than a month, the guilty person shall be imprisoned for one to four years and fined 100 to 300 sucres."

17. With regard to the position of aliens and, in particular, the right to protection against arbitrary expulsion set forth in article 13 of the Covenant, article 14 of the approved Political Constitution states:

"Aliens shall, in general, enjoy the same rights as Ecuadorians, within the limits established by the Constitution and the law. Aliens shall be excluded from the exercise of political rights."

18. Article 15 of the same Fundamental Charter further specifies:

"The State shall encourage and facilitate selective immigration. It shall require aliens to devote themselves to the activities for which they are authorized."

19. The National Aliens Act provides:

"Article 20. Aliens who have been admitted to the national territory shall have the same rights and obligations as Ecuadorians, with the exceptions provided for in the domestic legislation of the State. In a strip of land 50 km broad along the national frontiers of the Republic and along the coast, aliens shall not be permitted, whether directly or indirectly, individually or through associations, to acquire or rent landed property or exercise property rights over buildings, without first obtaining a favourable report from the Joint Command of the Armed Forces, on pain of the title of acquisition or contract in question being declared null and void, at the request of the Procurator General of the Nation"

"Article 50. For the purpose of enabling the Government of Ecuador to maintain strict neutrality in respect of the domestic or external political affairs of another State, appropriate measures shall be adopted to prevent aliens residing in the country from taking part in political or warlike activities which initiate or ferment civil wars or international conflicts."

20. The Ecuadorian Immigration Act defines the sole reasons for which aliens can be expelled from the national territory, namely:

1. A person who has entered the country without presenting himself for examination by the competent immigration officials or at a place or time not specified by the regulations.

2. A person belonging to one of the categories excluded under this Act (mentally sick persons or carriers of infectious/contagious diseases, vagabonds, professional beggars, drug addicts, prostitutes and pimps, persons lacking proper travel documents and persons who are known to be attempting to enter for the exclusive purpose of engaging in activities prejudicial to morals and decent behaviour, the public interest or national security).

3. A person who has been found guilty in Ecuador of an offence defined in the penal laws of the Republic, once the verdict has been implemented, the penalty paid or pardon obtained.

4. Offenders who cannot be brought to trial in Ecuador for want of territorial jurisdiction.

21. With respect to the concern expressed by members of the Committee as to whether the organization of the law courts is in complete harmony with the Constitution in force, it must be pointed out that article 84 of the above-mentioned Charter states:

"The Judicial Function shall be exercised by the Supreme Court of Law, the High Courts and the other courts established by the Constitution and the laws."

22. Article 3 of the Organic Law governing the Judicial Function states:

"Judges have either legal jurisdiction or conventional jurisdiction, the former category being divided into ordinary judges and special judges. Ordinary judges are the Ministers of the Supreme Court and the High Courts, and judges of the criminal and civil courts. Political office-holders, in addition to their specific functions, shall exercise jurisdiction in conformity with this Law. Special judges are those concerned with labour, housing and traffic matters, those who exercise coercive jurisdiction, police judges and other judges appointed by special laws. Arbitrators are judges of conventional jurisdiction."

23. Article 96 of the Fundamental Charter provides that:

"The organs of the Judiciary shall be independent in the exercise of their functions. No authority may interfere in matters reserved to them."

24. The inviolability of the home has traditionally been guaranteed. The new Fundamental Charter (article 19, paragraph 6) includes the following among the rights of the individual it protects:

"Inviolability of the home. No-one may effect entry into the home or carry out inspections or searches, without the permission of the occupier or a judicial order in the cases and in the form established by law."

25. This protection is also included in article 99 of the Code of Penal Procedure, the text of which is as follows:

"The home of a citizen of Ecuador may not be entered except in the following cases:

1. For the purpose of apprehending an individual for whom a warrant of arrest has been issued or who has been sentenced to a penalty of imprisonment with or without hard labour;
2. In pursuit of a person accused of a flagrante delicto offence;
3. In an attempt to prevent an offence from being committed;
4. In the case of the offences of abduction or kidnapping, to rescue the abducted or kidnapped person;
5. Where a judge is attempting to recover stolen objects or to apprehend objects which constitute proof of the existence of an offence or the arms or instruments with which an offence was perpetrated; and
6. In the event of flooding, fire or asphyxiation, or when it is necessary to give first aid to the occupants by reason of actual or imminent peril or because there is evidence that a person or persons have introduced themselves into a dwelling irregularly or during the night or have broken in. In the cases covered by paragraphs 3, 4 and 6, no formality of any kind is needed."

26. In connexion with the wish expressed by the members of the Committee to know what exceptions there are to the ban on intercepting, opening or scrutinizing papers, letters and other private documents, established by article 141, paragraph 9 of the Political Constitution, it should be noted that, as the Ecuadorian representative has in fact stated, a financial situation can be examined only on the basis of a warrant duly issued by a judge after an application has been received. In this connexion, article 54 of the Commercial Code provides:

"Save in the cases expressly specified by the law, orders may not be given, either ex officio or at the request of a party, for the production or general examination of commercial documents, except in the cases of universal succession, community of goods, liquidation of companies, whether legal or conventional, and bankruptcy."

27. The Penal Code contains provisions similar to the preceding concerning the inviolability of correspondence:

"Article 197. Government employees or agents or officials of the service of posts and telegraphs who have opened or suppressed letters entrusted to the post, or telegraphic messages, or who have made it possible for such documents to be opened or suppressed, shall be imprisoned for two months to one year and fined 40 to 100 sucres.

Article 198. Any persons who, being legal depositaries of telegraphic messages, have revealed their existence or contents, apart from cases in which they were required to make a statement to a court or those in which the law obliges them to make known the existence or contents of such dispatches, shall be imprisoned for 15 days to six months and fined 40 to 80 sucres.

Article 199. Anyone who, finding himself in possession of correspondence not intended for publication, causes it to be published or submits it to a court without a judge's order, even if it is addressed to himself, shall be fined 40 to 200 sucres, if the act can cause prejudice to third parties, unless the correspondence in question gives evidence of commitments in favour of its holder, in which case it may be submitted to a court."

"Article 202. Anyone who intercepts letters entrusted to the post shall be imprisoned for 15 to 60 days, except fathers, husbands or guardians who possess themselves of letters from their dependent children, consorts or wards, respectively."

28. In response to the request by members of the Committee for information on the laws regulating the practice of journalism in Ecuador, I have pleasure in annexing several copies of the Radio and Television Act, the Law on the Exercise of Profession of Journalist Act, Decree No. 1348, and the Regulations of the National Office of Public Information, in which the required information will be found.

29. On the subject of the equality of rights of men and women in marriage, the Legislative Commission by means of Act 256 published in Official Journal No. 446 of 4 June 1970, the text of which is annexed, updated the Civil Code to bring it into line with the provisions of the present Political Constitution which, in keeping with a long tradition that began when Ecuador first declared itself independent, establishes the equality of all Ecuadorians before the law. Article 141 of the Constitution declares, in fact, that any discrimination prejudicial to human dignity because of class, sex, race or any other reason is punishable.

30. Later, the Supreme Government Council, by Decree 1482, of 30 May 1977, repealed all the provisions which until that time adversely affected the full legal capacity of married women.

31. Article 19 of the new Political Constitution states:

"Everyone shall have the following guarantees ...

4. Equality before the law. Any discrimination on grounds of race, colour, sex, religion, filiation, political or any other opinions, social origin, economic situation or birth, is prohibited. Whatever their marital status, women have the same rights and opportunities as men in all walks of public, private and family life, particularly in the civil, political, economic, social and cultural spheres."

32. As far as the information requested on the conditions for the establishment of family estate is concerned, it must be pointed out that in addition to the provisions of article 142, paragraph 5 of the Political Constitution, whereby such estates are unattachable and inalienable, the Civil Code contains specific provisions governing this question:

"Article 852. The husband, wife or both jointly, if they are of age, have the right to found with assets owned exclusively by them, a family estate for themselves and for the benefit of their descendants, those assets being excluded from the ordinary system of conjugal joint ownership of property and from any action by creditors."

"Article 853. If the property is part of the assets of a partnership, both husband and wife will have to intervene by mutual agreement, and they may extend that property to the descendants of either of them or of both. A family estate may also be founded from the assets of either of the spouses in favour of their children."

"Article 854. Widowed, divorced or unmarried persons may also establish a family estate for their own benefit or that of their children."

"Article 856. Any property forming part of the family estate shall be inalienable and not subject to attachment or mortgage with the exception of pre-established easements and such as may subsequently become compulsory under the law."

"Article 857. Such property shall likewise not be subject to division, commodatum, partnership, life annuity, nor antichresis except in accordance with this Title."

"Article 858. In cases of need or expediency, as declared by a judge in full knowledge of the facts and after consultation with the State Counsel's Office, the founder of the estate may rent or let on a partnership basis any property forming part of the estate. The State Counsel shall determine the need for and expediency of the act, at its own absolute discretion."

"Article 860. The sum total of the assets composing the family estate shall not exceed the basic sum of 300,000 sucres plus an additional 25,000 sucres for each child. The sum total of the family estate established under specific laws shall be consistent with the sums fixed in the preceding paragraph."

"Article 874. If the family estate is extinguished, the assets constituting it shall devolve in full ownership upon the founder or the partnership, as the case may be, or shall pass to the rightful heirs."

33. With reference to the clarification requested by the members of the Committee concerning the restrictions on the exercise of political rights by members of the armed forces and religious communities, it should be pointed out that article 4 of the Electoral Act provides as follows:

"The following may not vote: (a) persons not on the electoral roll of the ward in which they have their legal domicile; and (b) any person who is a member of the Armed Forces and National Police Force on active service."

34. The new Political Constitution corroborates this:

"Article 33: Suffrage is universal, equal, direct and secret, compulsory for those who can read and write and optional for the illiterate. Any Ecuadorian citizen of 18 years of age and over, and in possession of his/her full political rights, has the right to vote. Members of the Forces on active service may not exercise this right."

35. With regard to the application of article 148, sub-paragraph (p) of the Constitution, referring to the prohibition hiring children under 12 years of age as domestic servants, in conjunction with article 143(5), which states that "Official education is secular and free of charge in all grades; neither the State nor the municipalities may subsidize any other educational system, but social services shall be supplied without discrimination to all students who need them", article 125 of Ecuador's Labour Code provides that:

"Employers hiring persons under 18 years of age who have not completed their primary education shall be required to release them for two hours of their working day in order that they may attend school."

36. Likewise, article 243 of the Code states, in connexion with domestic servants:

"Apart from the statutory remuneration, the employer must provide domestic servants with food and accommodation, failing any agreement to the contrary, and as far as possible and within the limits imposed by the nature of the service, must provide for their education in the best possible manner. If the minor is below the age of puberty the employer must ensure that he receives primary education."

37. With regard to the concern of the members of the Human Rights Committee about the measures adopted in Ecuador to avoid discrimination against the indigenous population, it must be said that problems of racism or racial discrimination have never existed in Ecuadorian society.

38. Internationally, Ecuador's position with regard to racism and racial discrimination is well known. Since the creation of the United Nations, the country's representatives to its various agencies have firmly maintained an anti-racial policy and have voted for all the resolutions condemning racial discrimination and the shameful policy of apartheid.

39. Internally, articles 4 and 19 of the Political Constitution approved in recent months contain provisions on the subject:

"Article 4. The Ecuadorian State condemns all forms of colonialism, neocolonialism and racial discrimination. It recognizes the right of peoples to free themselves from those oppressive systems."

"Article 19. Every person shall enjoy the following guarantees:
...4. Equality before the law. All discrimination based on race, colour, sex, language, religion, filiation, political or any other opinions, social origin, economic situation or birth, is hereby prohibited."

40. In order to ensure the strict fulfilment of the obligation undertaken by Ecuador under article 4 of the International Convention on the Elimination of all Forms of Racial Discrimination, the final steps are being taken to include in the Penal Code a new chapter dealing with offences involving racial discrimination.

41. Moreover, Ecuador is one of the six countries which have so far formulated the Declaration envisaged in article 14 of the above mentioned Convention and have thereby recognized the competence of the Committee on the Elimination of Racial Discrimination to receive and examine communications from persons or groups residing in its territory and claiming to be victims of violations of any of the rights stipulated in the said international instrument.

42. The equality in law of all Ecuadorians, regardless of race, finds its expression chiefly in the prohibition of all forms of discrimination. However, in view of the peculiar circumstances in which members of the indigenous race live, the State has taken account of these circumstances and has found it necessary to enact laws aimed at fostering the full incorporation and participation of those people in the economic, social and cultural development of the Republic.

For instance, the Integral Plan for Transformation and Development, 1973-1977 embodies the Policy of Mobilization for Social Participation as an important part of the strategy for overcoming the critical problems of Ecuador's development, which derive from a social structure in which major decisions have often been taken without reference to some sectors of the population.

43. The objectives of the Plan include the development of the basic organizations in keeping with the specific interests of the population groups, the education and crash training of local leaders, the promotion of community forms of production to ensure genuine participation in both management and distribution, and the firm implementation of basic policies such as land reform calculated to pave the way to development. In socio-cultural terms, it was specified that social mobilization seeks to preserve and revitalize native values by eradicating alienating attitudes so as to bring about a strengthening and self-affirmation of Ecuadorian nationality.

44. The Ministry of Labour and Social Welfare has been responsible for implementing both the labour aspect of development and the social mobilization aspect of this policy. Since 1974, the National Promotion and Social Welfare Authority has been implementing the Communal Development and Social Mobilization Plan, which is gradually achieving national coverage at the small community and parish levels, where the indigenous population belonging to the various groups found in Ecuador plays a considerable part.

45. The Plan actively aims at the wholesale promotion of people living in the poorer rural and urban-fringe areas so as to ensure their active participation in the economic and political life of the country and the exercise of their rights and obligations within the framework of a democracy in which all participate.

46. With regard to the inquiry by Committee members concerning social legislation for the enforcement of article 146 of the Political Constitution of 1945, the Land Reform and Settlement Act of 9 October 1973, which amended the law of 11 July 1964, is now in force.

47. Under article 23 of this Act, the State guarantees the right of ownership of rural land used for social purposes, while article 24 indicates the circumstances in which such ownership does not fulfil a social function. In addition, articles 25, 26 and 27 stipulate when land should be regarded as being underworked, what should be understood by monopolization, and the precise meaning of direct exploitation.

48. The take-over system provided for under the Land Reform Act now in force is a genuine sanction against landowners who fail to collaborate towards efficient farming production or who use the land to perpetuate the exploitation of peasant labour.

49. These are the basic reasons why land taken over and appropriated by the Ecuadorian Land Reform and Settlement Institute has been allocated preferentially to peasants in accordance with the order of priority established in article 68, in an attempt to improve their economic and social status.

50. Similarly, article 59 of the same Act provides an order of preference among grantees within the Provisional Land Reform Organizations: first come those who have lived from hand to mouth on the estate taken over; next, members of adjoining peasant communities and communes; then farm hands who usually work and live on the land taken over; and lastly, anyone who has worked the land on the strength of hill-farming or squatting rights.

51. Once the land has been made over to the peasant organizations or farm workers, the beneficiaries naturally have a chance to improve their economic and social conditions by a type of farming which positively results in an increase in production.

52. To make farm workers fully aware of the benefits open to them, chapters I, II and III of Title V of the Land Reform Act make mention of the Beneficiary Organizations, the Provisional Land Reform Peasant Organizations and the Grantees.

53. In answer to the questions put to our representative by Committee members concerning restrictions on the freedom of industrial and commercial enterprises, it must be pointed out that, as an essentially democratic country, Ecuador is governed in economic matters by freedom of private enterprise, although this is of course subject to the country's internal laws and regulations and to those international conventions to which Ecuador is a signatory.

54. With regard to banks, insurance companies, financial houses, storage facilities and exchange offices, which are under the supervision and control of the Bank Supervisory Body, their statutes and operations are regulated, and therefore they have to comply with the stipulations of the law and with the requirements of the public interest. When the promoters or founders of such enterprises have fulfilled all the legal requirements, the Bank Supervisory Body, with the approval of the President of the Republic and, in the case of financial concerns, of the Minister of Finance, issues a resolution of approval followed by the appropriate certificates of authorization.

55. The establishment of foreign banks and insurance companies is subject to the regulations laid down in Decision 24 of the Cartagena Agreement of the Andean Pact and in the appended agreements relating to the treatment of foreign capital, enclosed herewith.

56. As to the meaning of the words "concertaje" and "huasipungo", the former was the name given to a form of serfdom which existed during colonial times and in the early Republic, whereby peasants were obliged to work on large estates to pay off debts, for legal protection, to obtain advances, food aid, etc. "Concierto" peasants were paid a fixed wage in accordance with age-old custom; in other words, the system combined serfdom and wage relationships, although the latter were practically of a token nature. Concertaje was abolished in 1918. The Fundamental Charter of 1929 approved the elimination of personal bondage or concertaje and further prohibited the grant of prerogatives or the imposition of obligations which might make some individuals better or worse off than others. It also guaranteed personal liberty and security and abolished imprisonment for indebtedness arising from civil obligations.

57. "Huaspungo" was a system derived from the old Spanish land tenure laws and consisted of the performance of work on several days a week in payment for the right to cultivate a plot or the use of a dwelling. Peasants under this system were remunerated partly in cash and partly by the right to farm the plot. In practice, the cash element was reduced to a minimum or simply not paid at all.

58. Concertaje and huaspungo were used in combination to exploit the peasant, since in exchange for a strip of land the latter was obliged to remain tied to a locality adjacent to the landowner's estate. Because his production was insufficient to sustain him and his family, the peasant and his entire family had to work on the estate and to become indebted to the landowner. These debts then had to be worked off in labour and were transmitted from father to son in the event of the peasant's death. Because of the exploitation involved, and out of an elementary sense of social justice, such systems, prejudicial to the interests of Ecuadorian workers, were abolished once and for all.