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**LABOR LEGISLATION
OF ECUADOR**



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Acknowledgment

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Contents

	Page
Introduction and summary	1
Text of legislation:	
Workmen's compensation—	
Law of October 6, 1928.....	7
Prevention of industrial accidents—	
Law of March 4, 1927.....	12
Maximum length of working day, and weekly rest—	
Law of October 6, 1928.....	13
Apothecary shops, drug stores, and pharmacies—	
Regulatory decree of November 12, 1926.....	16
Barber shops—	
Regulatory decree of November 12, 1926.....	16
Employment of women and minors—	
Law of October 6, 1928.....	16
Individual labor contracts—	
Law of October 6, 1928.....	19
Notice required for termination of employment contracts—	
Law of October 6, 1928.....	21
Procedure in actions at law relating to labor—	
Law of October 6, 1928.....	23
Retirement annuities and pensions—	
Civil employees—	
Law of March 8, 1928.....	24
Bank employees—	
Law of October 6, 1928.....	31
General labor inspection service—	
Law of July 13, 1926.....	33
Regulatory decree of July 29, 1926.....	33

BULLETIN OF THE U. S. BUREAU OF LABOR STATISTICS

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LABOR LEGISLATION OF ECUADOR

Introduction and Summary

The United States Bureau of Labor Statistics, continuing its series of bulletins on labor legislation enacted in the Latin American countries, presents in this volume the labor laws of Ecuador, which have been compiled and translated from the original Spanish texts obtained through the State Department from the American consul general at Quito.

Workmen's Compensation

The law of October 6, 1928, provides that employers shall be liable for accidents occurring to their employees while in the performance of their duties and which arise out of and in the course of the occupation in which they are employed, or which are due to a fortuitous event or force majeure connected with the nature of the work.

The liability of the employer extends also to occupational diseases or diseases caused directly by the exercise of the occupation.

Benefits

Workers injured in accidents shall be entitled to compensation as follows:

(a) If the accident causes the death of the worker, the employer is required to pay funeral expenses, which shall not exceed 100 sucres,¹ and in addition to pay to the family of the deceased worker compensation equal to three years' wages.

(b) In case of permanent total disability for all work resulting from the accident, the employer shall pay to the injured worker compensation equal to three years' wages.

(c) In case the accident results in permanent total disability for the regular work of the employee, the employer shall pay him compensation equal to two years' wages.

(d) If the accident causes permanent partial disability for the occupation or kind of work in which the injured worker was regularly engaged, the employer shall pay compensation equal to two years' wages, but considering in this case as day wages the daily reduction in his wages which he may have suffered as a result of the accident.

¹ 1 sucre at par=20 cents; 1 centavo=0.2 cent.

(e) If the accident results in temporary disability, the employer shall pay to the injured worker compensation equal to 50 per cent of the wages he was receiving when the accident occurred, from the day of the accident until he is in a condition to return to work, it being understood that the compensation shall be paid periodically and on the same days on which the worker has been accustomed to receive his wages.

If after one year the disability has not disappeared, the compensation shall be governed by the provisions relating to permanent disability.

Accident Prevention

The law of March 4, 1927, requires preventive measures to be adopted against industrial accidents and occupational diseases. Employers are obliged to observe, in factories, workshops, and in all other establishments, the legal requirements as to sanitation and health and to adopt adequate measures to prevent accidents in the use of machines and other instruments. Labor inspectors shall see that employers comply with the regulations issued by the health authorities, among which are the following: (1) All workrooms must be kept clean and free from any noxious emanations; (2) proper lighting and sufficient means of ventilation must be provided in all the workrooms; (3) the health authorities are to determine the number of persons who may be employed in any work place; (4) special care must be taken to maintain order and good morals in the establishment; (5) smoking is prohibited in all factories.

The law stipulates that if dust or other impurities are generated in quantities tending to injure the health of the employees, proper devices to remove such impurities from the workroom shall be provided.

Women and children under 18 years of age may not be employed in the following industries or occupations: (1) Work involving the danger of industrial poisoning, as in the manufacture of white lead, red lead, paints, or varnishes which contain lead or arsenic salts; (2) manufacture of explosive, inflammable, or caustic substances; (3) operations in which injurious dust is produced, as in the cutting and polishing of glass or emery polishing; (4) stevedoring; (5) oiling of machinery while in motion; and (6) work requiring the handling of belts, circular saws, and similar mechanical apparatus.

Woman employees must be given leave of four weeks before childbirth, and six weeks thereafter, at one-half of their regular wage. Pregnancy may not be alleged as a reason for dismissal.

Those who do such work as stonecutting, emery polishing, photo-engraving, marble work, and the like, must wear masks or some similar protective device. Employers of workers constructing or cleaning the inside of conduits, cesspools, etc., must previously have taken measures to have such places ventilated. Scaffolding on buildings over a certain height must be equipped with a handrail on each side.

The cleaning of machinery while in motion is prohibited. Pulleys, belts, gears, slides, and in general all projecting parts of machines shall be substantially guarded. Proper belted-in garments shall be

worn by those working on machines. Before the starting of all machines ample warning shall be given by effective signals.

All industrial establishments shall have emergency medicine chests to provide first-aid treatment to the workers in case of accident.

Operators who use electricity shall be taught the dangers to which they are exposed and shall be provided with insulators and other protective devices.

Working Hours and Weekly Rest

On October 6, 1928, a law was promulgated relating to maximum hours of work and the weekly rest period. This law which became effective January 1, 1929, applies to all employees with the exception of the following: Domestic servants, home workers, casual workers, commission agents and traveling salesmen, and persons engaged in work of a confidential, managerial, or supervisory nature, for which special regulations will be drawn up later.

The hours of work are fixed at eight per day, with a rest period of two hours after the first four hours of work, or at any other time fixed by common agreement between employer and employee; the number of working days will be six per week.

Overtime must in no case exceed 2 hours per day or 12 per week and will be paid at a rate of from 50 to 100 per cent higher than the normal rate.

A weekly rest period of 36 consecutive hours must be granted to workers on Sunday or on some other day on which the parties concerned may agree. No work shall be carried on on Sunday except in industries in which work must not on any account be interrupted, or in case of unavoidable necessity or imminent danger of accident.

If work is performed between 7 p. m. and 6 a. m. the daily hours of work shall be reduced to seven.

Several sections of the law deal with the making up of lost time, fines for violations, the duties of factory inspectors, and the posting of schedules of working hours.

Sunday Closing

According to two regulatory decrees of November 12, 1926, barber shops and drug stores (except those taking their turn at continuous service) must remain closed on Sunday in compliance with the Sunday rest law.

Fines are imposed on those who violate either of these decrees.

Employment of Women and Minors

A law of October 6, 1928, prohibits the employment of women and minors under 16 years of age between 7 p. m. and 6 a. m., except in domestic service. Women over 18 years of age may work at night as nurses or in telephone offices, theaters, and motion-picture houses.

The law further prohibits the employment of women or boys under 16 years of age in dangerous or unhealthful industries or in work which might endanger their physical or moral development. If a woman or minor under 16 years is employed in any of the prohibited

conditions and becomes ill, or meets with an accident, it will be presumed that the employer is responsible for the accident or illness.

In all industrial and commercial enterprises, whether public or private, it is forbidden to employ women for three weeks before and three weeks after childbirth. Pregnant women may leave their employment on presentation of a medical certificate. No woman may be dismissed during pregnancy and her post must be kept open for six weeks, during which period she shall receive 50 per cent of her wages. If the woman remains away from her work longer than the period specified because of illness due to childbirth, her post must likewise be kept open.

Only in exceptional cases may minors under 14 years of age be allowed to work.

Labor Contracts

The individual labor contract law of October 6, 1928, covers oral and written labor contracts. Its provisions do not apply, however, to agricultural or domestic labor, nor to home work; i. e., that performed only by members of the same family under the direction of one member.

The maximum duration of the labor contract is one year if it is oral and not more than three years if executed in writing.

Every written contract shall contain a statement of (1) the kind of work to be performed; (2) the remuneration and the method of payment; (3) the duration of the contract; and (4) the place where the work is to be performed.

Definite regulations are specified in the law as regards the termination of contracts, both on the part of the employer and the worker.

Notice Required for Termination of Contracts

According to the terms of an act of October 6, 1928, if the duration of the work was not definitely fixed in the labor contract, neither party may terminate it without giving the other party notice in writing, which shall be at least one month in advance when given by the employer and 15 days when given by the worker.

The employer who dismisses a worker without giving the required notice must pay him an amount equivalent to one month's pay. Likewise, the worker who quits his work without giving the necessary notice must pay the employer a sum equivalent to 15 days' pay, or be required to continue his work for 15 days.

The law contains several exceptions.

Procedure in Actions at Law Relating to Labor

A law enacted on October 6, 1928, lays down in considerable detail the procedure that must be followed when disputes arise over the administration of the labor laws or in connection with labor contracts, workmen's compensation, etc.

The labor deputies must settle disputes of this nature in localities where there are such officials, and in other localities the chief police authority will act in this capacity.

Retirement Annuities and Pensions

Government Employees

The retirement, pension, savings, and mutual funeral benefit act of March 8, 1928, provides benefits for Government employees, both civil and military. The law creates a pension fund to receive, administer, and distribute retirement annuities and pensions, and states the conditions of retirement benefits and of benefits to heirs of employees dying in the service or while receiving an annuity. It establishes a savings department for those included under the provisions of this law, as well as a mutual fund to cover funeral expenses.

The resources of the fund are derived from the following sources: Monthly contributions of the Government employees and other persons covered by the law for retirement annuities, savings, and pensions; 5 per cent deduction on all retirement annuities; interest on the capital of the fund; 50 per cent of the increase of the first month's salary of an employee when given an increase in pay; contributions of persons other than Government employees who wish to benefit by the law; deductions and donations made under the military retirement and pension laws; and any donations made by the National Government, municipalities, or private individuals.

The retirement annuity shall be calculated on the basis of the average salary received during the last five years of service. An employee may be granted full annuity after 30 years' service regardless of his age; an employee who has served 25 years and is over 60 shall also obtain the full retirement annuity; one who has served 25 years but is under 60 shall receive 80 per cent of the annuity. Retirement is compulsory at 65 years of age, but may be postponed to 70 years by special permission of the head of the service. Disability retirement is granted, after 10 years' service, for disability in the line of duty from a cause arising out of the service. The benefit varies between 20 and 60 per cent of the full annuity, based on the extent of the disability and the years of service rendered.

If the employee died in the service, his heirs (who are specified in the law) shall receive an income of from 20 to 30 per cent of the average salary received by the deceased during the last five years. If the deceased employee had been retired, the heirs receive an income of from 20 to 60 per cent of the retirement annuity.

All Government employees, including those who have been retired, shall deposit in the fund through the disbursing officers the following amounts for the mutual funeral benefit: Employees receiving a monthly salary exceeding 500 sucres, 1 sucre; those receiving from 150 to 500 sucres, 50 centavos; those receiving up to 150 sucres, 25 centavos. Whenever a retired employee or one in the service dies, the fund pays his heirs a sum equal to the amount deposited for such emergencies. The disbursing officers then make the above-mentioned deductions from the salaries to take care of the next death that occurs.

Bank Employees

A retirement fund was created for employees of banking institutions by the law of October 6, 1928.

The fund is to be derived from the following sources: (1) A compulsory deduction of 5 per cent from the salaries of bank employees; and (2) a monthly contribution by the banks of 5 per cent of the salaries of the said employees.

The banks are required to retire employees who, for reasons of age, disability, or length of service, are entitled to this privilege, in conformity with the provisions of the retirement law for Government employees of March 8, 1928.

A bank employee who voluntarily or for a just cause leaves his employment shall be entitled to collect the amount of his contributions and those of the employer that belong to him. If his separation from the service is due to his own inefficiency, he shall be entitled only to the amount of his contributions.

Labor Inspection Service

A labor inspection service was established in Ecuador by an act of July 13, 1926, and its regulatory decree of July 29, 1926, for the purpose of enforcing the observance of the labor laws.

The duties of the director of the service as well as of the labor inspectors are given in detail.

Text of Legislation

Workmen's Compensation

LAW OF OCTOBER 6, 1928

ARTICLE 1. Any employer who has charge of the performance of work shall be liable for any accidents which may happen to his employees and workers while in the performance of their duties and which arise out of and in the course of the occupation in which they are employed, or which are due to a fortuitous event or force majeure connected with the nature of the work.

When the performance of the work or the operation of the industry is done under contract, the contractor shall be considered the employer, the subsidiary liability of the owner continuing however.

ART. 2. For the purposes of this law, by "accident" is understood any bodily injury which the worker or employee suffers in the course of or arising out of the work which is being performed for another.

The liability of the employer extends also to occupational diseases or diseases caused directly by the exercise of the occupation or the performance of the work by the worker or employee and which cause disability.

The Ministry of Social Welfare and Labor shall determine in a special regulation the occupational diseases to which the preceding article refers and may revise this regulation every three years.

ART. 3. Disability caused by an accident shall be compensated for under this law only when it lasts longer than six days.

ART. 4. The employer shall be exempt from all liability for an industrial accident:

(a) When it has been caused intentionally by the injured worker or is due entirely to his own fault.

(b) When it is due to force majeure not connected with the nature of the work, understanding as such that which does not have any relation to the performance of the said work.

The employer shall also not be liable to any of the heirs of an injured worker when the latter intentionally caused the accident or brought it about by his own fault, and this without prejudice to any criminal liability in the case.

Carelessness in the occupation, or that which is the result of confidence due to habitual performance of the work, does not exempt the employer from liability.

Proof of the exceptions mentioned in this article must be provided by the employer.

ART. 5. The liability of the employer is presumed with respect to any accident occurring under the conditions described in article 1 of this law, and with no exceptions other than those specified in the preceding provision.

ART. 6. The employer may discharge his obligations relative to compensation by obtaining at his own expense an insurance policy in favor of the workers or employees in question from an insurance company legally organized under the provisions of the Code of Commerce, provided the benefits are not less than those provided by this law.

ART. 7. The industries or works whose employers are liable are:

1. Factories, workshops, and industrial establishments in which power other than man power is used.

2. Mines, salt works, and quarries.

3. Metallurgical factories and workshops, and construction work and ship-building.

4. Construction, repair, and maintenance of buildings, including masonry and other related work, such as carpentry, locksmithing, stonecutting, painting, etc.

5. Establishments producing, or using industrially explosive, inflammable, unhealthful, or poisonous substances.

6. Construction, repair, maintenance, and operation of railroads, harbors, roads, bridges, canals, dams, wharves, aqueducts, sewers, and other similar works.

7. Work in agriculture, forestry, and stock raising, where one or more machines moved by mechanical power are used, but in this case the employer is liable only as regards the personnel employed in the operation and service of the motors and machines and the workers who are injured in accidents connected therewith.

8. Cartage and transportation by land, sea, and inland waterways.

9. River and deep-sea fishing undertakings.

10. Cleaning of streets, cesspools, and sewers.

11. Warehouses, and wholesale depots of coal, firewood, and lumber, and mercantile establishments in general, with respect to their employees, clerks, servants, and traveling salesmen.

12. Theaters, with respect to their wage-earning personnel.

13. Gas works and electric-power houses.

14. Work of placing, repairing, and removing electric conductors and lightning rods; and the placing, repair, and maintenance of wireless stations, telegraph and telephone systems, piping, and masonry work underground or in sewers.

15. All workers employed in loading and unloading.

16. Hospitals, insane asylums, almshouses, colleges, and similar establishments with respect to the wage-earning personnel for accidents suffered while performing their duties.

17. Any similar industry or work not included in the preceding enumeration which the Ministry of Social Welfare may declare, after receiving a report from the labor inspector, at least 30 days in advance of the date of the accident.

ART. 8. The preceding article shall not apply to domestic servants.

ART. 9. For the purposes of the compensation provided by this law, accidents shall be classified as follows:

1. Accidents which result in temporary disability.

2. Accidents which result in permanent partial disability for the regular occupation.

3. Accidents which result in permanent total disability for the regular occupation.

4. Accidents which result in permanent total disability for all work.

5. Accidents which result in death.

ART. 10. Temporary disability, within the meaning of the preceding article, shall consist of any injury which may be cured within one year, leaving the worker or employee able to perform his regular work.

Permanent partial disability for the regular work shall mean that injury which after recovery leaves the worker or employee with a disability which reduces his capacity for the occupation in which he has been engaged.

Permanent total disability for the regular work shall mean any injury which after recovery leaves the worker or employee totally unable to perform any work in the same occupation, even though he may be able to perform other work.

There shall be considered as permanent disability for all work that which entirely prevents a worker or employee from performing any trade or work.

ART. 11. Workers or employees injured in accidents under the conditions contemplated by this law shall be entitled to compensation in the form and amount established in the following provisions:

(a) If the accident results in temporary disability, the employer shall pay to the injured worker compensation equal to 50 per cent of the wages he was receiving when the accident occurred, from the day on which the accident occurred until he is in a condition to return to work, it being understood that the compensation shall be paid periodically and on the same days on which the worker has been accustomed to receive his wages.

If after one year the disability has not disappeared, the compensation shall be governed by the provisions relating to permanent disability.

(b) If the accident causes permanent partial disability for the occupation or kind of work in which the injured worker was regularly engaged, the employer shall pay compensation equal to two years' wages, but considering in this case as day wages the daily reduction in his wages which he may have suffered as a result of the accident.

(c) In case the accident results in permanent total disability for the regular work of the employee or worker, the employer shall pay to the injured worker compensation equal to two years' wages.

(d) In case of permanent total disability for all work resulting from the accident, the employer shall pay to the injured worker compensation equal to three years' wages.

(e) If the accident causes the death of the worker or employee, the employer is required to pay the funeral expenses, which shall not exceed 100 sucres, and in addition to pay to the family of the deceased worker compensation equal to that provided in the preceding section.

The compensation referred to in sections (b) and (c) of this article shall be paid in monthly payments in advance; but that specified in sections (d) and (e) shall be paid in a lump sum.

ART. 12. For the purposes of the last provision, by "family" shall be understood the surviving spouse and the minor children of the deceased. The ascendants and the grandchildren and brothers and sisters up to 16 years of age shall be included in the family only if at the time of the accident they were living with and were supported by the deceased, or if for any reason they are incapacitated for work.

The compensation shall be considered community property and shall be distributed among the heirs in the proportion and manner provided by the Civil Code.

The surviving husband is entitled to compensation only if he is unable to work.

ART. 13. In addition, the employer shall be required to pay, without right of reimbursement, for medical and pharmaceutical attention to all workers or employees who are injured in industrial accidents, until, in the opinion of the physician, they are in a condition to return to work, or are declared to come within one of the classes of permanent disability and not to need any further attention; said attention shall be given under the direction of physicians named by the employer.

The injured worker or employee, or his family, has the right, however, to name for himself and at his own expense one or more physicians to supervise the attention given by the physician named by the employer.

The employer, as well as the worker or employee, may request the services of the public health physicians, who shall render their services gratuitously if called by the worker or employee, and at a special rate fixed by the directors and assistant directors, respectively, if they are called by the employer.

ART. 14. For the purposes of the provisions of sections (b), (c), (d), and (e) of article 11, by "annual wage" shall be understood that which the worker received during the year preceding the accident from the employer liable for the compensation.

If the worker did not work for the employer during the entire year, the daily wage shall be calculated by dividing the injured employee's earnings during the time that he worked by the number of days which he worked. For this purpose Sundays and holidays shall be deducted only when the worker, before the accident, had those days as rest days and did not receive wages therefor.

If the wage of the worker was variable, or his work was by the job, the annual wage shall be determined by the rules contained in the two preceding paragraphs, according to whether the employee worked in the service of the employer one year or less than one year.

The determination of the wage which in whole or in part is not received in money shall be made by agreement between the parties; and if they can not come to an agreement, it shall then be decided by the judge in the case, who shall take into consideration the value in the locality of the products and other payments in kind furnished by the employer, the rate of wages of workers in the same occupation or trade, and other circumstances attending the performance of the work which may help in the determination of an equitable wage.

If the worker and the employer have no agreement as to the amount of the wage, 2 sucres 50 centavos shall be fixed as the minimum wage per day in the coastal region, and 2 sucres per day in the mountain region, and this shall apply even to apprentices who do not receive any remuneration.

ART. 15. The accident compensation to be paid to employees who receive their wages or salaries by the month shall be determined by multiplying the

amount of said salary by 24 or 36 according to whether the compensation is that provided for in sections (c), (d), or (e) of article 11.

ART. 16. The annual wage or salary shall never be considered as exceeding 3,600 sucres.

The benefits of this law are available to workers or employees who receive a larger remuneration, up to the maximum fixed in the preceding section. However, workers or employees who earn more annually than the said amount may stipulate with their employers for higher compensation for accidents than that provided for in this law; but the amount of compensation which exceeds the legal maximum may be claimed only under the general laws.

ART. 17. The compensation for permanent disability determined in article 11 shall be independent of that stipulated in section (a) of the same article for cases of temporary disability.

In the same manner, compensation for death does not exclude that due the injured worker during the period between the accident and the death resulting therefrom.

ART. 18. Even when the accident is the result of a fortuitous event or force majeure not connected with the nature of the work, if it occurs in the place where the work is performed, the employer must provide first-aid treatment. If he fails to do so, he shall be fined from 50 to 100 sucres, which shall be paid to the injured worker.

ART. 19. Instead of the compensation fixed in section (e) of article 11, the employer may, after consent by the heirs, grant life pensions in the following form and amount, provided he guarantees them to the satisfaction of the heirs of the deceased:

1. An amount equal to 40 per cent of the annual wage of the deceased, payable to the widow, children, or grandchildren under 16 years of age.

2. Twenty per cent to the widow without children or other descendants of the deceased.

3. Ten per cent to each one of the ascendants who is incapacitated for work or who was supported by the deceased.

These pensions shall cease in respect to the surviving spouse if she or he remarries; and in respect to the children and grandchildren of the deceased when they reach the age of 16 years.

The naming of the heirs to receive the pension and the distribution thereof shall always be made in accordance with the provisions of the Civil Code and on the death or disqualification of any one of the heirs his share shall be added to that of the others.

ART. 20. The compensation fixed by this law shall be increased 50 per cent if the accident was caused by the employer's failure to observe the precautions prescribed by the law on prevention of industrial accidents.

ART. 21. Any amounts which the worker or employee owes the employer for advances made to him shall be deducted from the amount which the employer owes for compensation under these provisions.

ART. 22. The amount of the compensation in any case may be reduced by the judge at his discretion, but only when it is fully proved that the resources of the employer are not sufficient to cover the legal compensation for which he is liable.

ART. 23. If the employer becomes bankrupt while a claim for compensation for an accident is pending, the amount of the compensation to which the worker or employee is entitled shall be considered as a preferential claim in the creditors' meeting.

ART. 24. Any clause which exempts the employer from liability for accidents which may occur shall be null and void, and in general any agreement which is in any way contrary to this law shall be null.

ART. 25. Likewise, the rights granted by this law to workers and employees, as well as the compensation to which they are entitled, can not be renounced, transferred, offset, withheld, nor attached, nor shall there be stipulated a method of payment different from that fixed in the law.

The case provided for in article 21 is excepted from this provision.

ART. 26. For the enforcement of the preceding provisions, the Minister of Social Welfare shall determine, in the regulation referred to in article 2, the injuries which shall be considered permanent disabilities for the regular work, whether partial or total, and those which shall be considered permanent total in accordance with the corresponding classification.

ART. 27. Without prejudice to the liability of the employer, the worker injured in an accident or those who are entitled to the compensation may claim from third parties causing the accident the total compensation for the damages suffered, in accordance with the provisions of the general laws.

The compensation obtained from third parties in accordance with this article frees the employer from his liability for the part that the third parties who caused the accident are required to pay.

The action against third parties may be brought by the employer at his own expense, and in the name of the injured worker or of those who are entitled to the compensation, if they have not instituted the same within a period of 30 days from the date of the accident.

In this case by "third parties" is understood persons not connected with the work or industrial operation, the employer and his workers and employees thus being excluded from such class.

ART. 28. All claims for damages for acts not covered by these provisions or those which involve misconduct or negligence compensable civilly, shall be subject to the provisions of the civil law.

ART. 29. The worker or employee, and in case of death his heirs, must report the accident to the labor inspector if there is one in the place, or if not to the police authority, within 48 hours after the occurrence of the accident, under penalty of a reduction of 25 per cent of the compensation, except when there is a good reason, duly proved.

The employer is also required to report the accident within 48 hours after he has been notified thereof, under penalty of from 50 to 100 sucres fine.

The report of the worker and of the employer shall contain: (a) The causes, nature, and circumstances of the accident; (b) the persons injured and the place where they are to be found; (c) the nature of the injuries; (d) the persons who are entitled to receive compensation; (e) the daily and annual wages received by the injured workers.

The authority receiving the report is required to verify the facts, especially if there is a discrepancy in the statements of the employer and those of the injured worker or his heirs.

The police authorities who receive reports of this kind shall send the same monthly to the labor inspectors of the respective districts, who in turn shall prepare general statistical tables of the accidents occurring in their districts, and shall send them, also monthly, to the Ministry of Social Welfare and Labor, under penalty of a fine of 50 sucres in case of omission or delay.

ART. 30. When a worker or employee dies or is disabled for work as the result of a disease contracted in the course of his work, he or his heirs shall be entitled, under the following circumstances, to the same compensation as is granted by this law in the case of disability or death:

(a) The disease must be declared to have originated exclusively in the work performed by the deceased during the time in which the disability arose.

(b) Compensation shall not be paid if it is proved that the worker or employee was suffering from the disease before entering the employment that he had to relinquish.

(c) The compensation shall be exacted from the employer by whom the worker was engaged in the kind of work which caused the disease.

(d) If the disease, owing to its nature, could have been contracted gradually, the employers in whose service the worker had been employed in the work or works which caused the disease shall be required to pay compensation in proportion to the time each had employed him. The proportion shall be fixed by the judge if a dispute arises concerning it.

(e) The employer in whose service a worker or employee is disabled from a disease shall report it as in the case of an accident.

The proper authorities are required to comply with the provisions of the preceding article.

ART. 31. Actions demanding enforcement of the provisions of this law shall expire in one year.

ART. 32. There are hereby repealed all laws, decrees, and other provisions which are contrary to this law, which shall be in force on January 1, 1929. The Ministry of Social Welfare and Labor shall have charge of the enforcement of this law.

Prevention of Industrial Accidents

LAW OF MARCH 4, 1927

ARTICLE 1. Owners of enterprises of all kinds shall be required to provide for their employees working conditions which do not endanger their health or safety in any manner.

ART. 2. The labor inspectors shall require owners of workshops or factories to comply with the regulations issued by the health authorities, and in particular with the following rules:

1. Work places shall always be kept clean and free from all noxious emanations.

2. Workrooms shall be adequately lighted and ventilated.

3. The number of workers in any work place shall not exceed the number fixed by the health authority.

4. Offenses against public order and morals shall not be committed on the premises of enterprises and workshops.

5. Every factory shall provide the sanitary equipment prescribed by the health authority, which shall also fix the places in which the said equipment shall be installed.

ART. 3. In every factory where work is carried on which generates dust or other impurities liable to be inhaled by the workers to a dangerous degree, ventilators, exhausts, or other suitable mechanical apparatus for the prevention of diseases likely to be caused by said emanations shall be installed in conformity with the recommendations of the health authority.

ART. 4. Smoking in factories is prohibited.

ART. 5. The employment of women and of minors under the age of 18 years in the following occupations shall be prohibited:

(a) Manufacture of white lead, red lead, or any other kind of poisonous coloring matter, and the handling of paint, enamel, or varnish containing lead or arsenic salts;

(b) Manufacture, preparation, or handling of explosives and inflammable or caustic substances;

(c) Work in premises or places in which explosives or inflammable or caustic substances are manufactured, prepared, handled, or stored in such quantities as to involve risk of accident;

(d) Cutting or polishing of glass and polishing of metals with emery, and work in any premises or place in which dust or irritating or poisonous fumes are habitually emitted;

(e) Work as locomotive engineers or firemen;

(f) Loading and unloading of vessels;

(g) Lubrication of machinery in motion; and

(h) Handling of belts, circular saws, and other dangerous machinery.

ART. 6. Women shall cease work four weeks before confinement, and shall not resume it until six weeks after confinement. Employers shall not declare their jobs lost for this reason, and shall pay them 50 per cent of their wages during the period specified.

Employers shall not dismiss pregnant women without lawful reason.

ART. 7. All workers, such as stonecutters, emery polishers, photo-engravers, marble workers, etc., who are exposed to the risk of losing their sight, by the nature of the work which they perform, shall, if they work independently for themselves, use masks or other similar protective devices. If they work for an employer, the latter shall be required to provide the necessary safety devices.

ART. 8. Scaffolding of a height exceeding 3 meters¹ on houses under construction or repair, or other similar work, shall be provided on each side with a hand rail not less than 90 centimeters² high.

ART. 9. The cleaning of machinery in motion shall be prohibited.

In the case of other dangerous machinery, the necessary safety measures shall be adopted in each case.

ART. 10. In construction work, cleaning, or the performance of any other kind of work inside drains, cesspools, etc., measures shall be taken in advance to provide adequate ventilation.

ART. 11. Pulleys, belts, gears, slides, projecting parts of machinery in motion, etc., shall be provided with the necessary guards.

¹ 1 meter = 39.37 inches.

² 1 centimeter = 0.3937 inch.

ART. 12. Workers employed on dangerous work, and in general all workers employed in connection with machinery, shall wear belted-in garments.

ART. 13. Before operating a machine of any kind, the person in charge shall see that the operation thereof does not present any danger, and in case any danger exists, he shall at once inform the employer, in order that the latter may give orders for the alterations or repairs needed to put the machine into perfect working order. If the employer fails to comply with this obligation, the worker or employe shall notify the authority of the place nearest to his residence, and said authority shall suspend the use of such machine and notify the General Labor Office. If the machine is put into perfect working order before the Labor Office has taken any steps in the matter, the employer shall notify the authority which suspended the use of the machine, and the said authority, after satisfying itself that the operation of the machine does not present any danger, shall permit the machine to be used.

A report shall be made as regards the order suspending the use of the machine, and also the order permitting it to be used, under the direction of the authority which issued the said orders. This report shall be signed by the said authority and by the employer, or, if the latter is not able or willing, by a witness.

ART. 14. Before a machine is put into operation, the workers shall be notified by a signal agreed upon in advance and known to all the workers.

ART. 15. Every industrial establishment shall keep a first-aid chest for the purpose of rendering first aid to workers in case of accident.

ART. 16. Workers using electricity shall be warned of the danger to which they are exposed, and shall be provided with insulators and other safety devices.

ART. 17. The Ministry of Social Welfare and the labor inspectors shall require factories, workshops, or workrooms to adopt all the safety measures which the ministry and the inspectors deem necessary for the health or safety of the workers.

ART. 18. Employers, heads of enterprises, and workers who fail to comply with the provisions of this law or of the orders issued thereunder by the proper authorities, shall be fined in accordance with the provisions of article 22 of the regulations respecting the general labor inspection service.

ART. 19. The Minister of Social Welfare and Labor shall be responsible for the administration of this law.

Maximum Length of Working Day, and Weekly Rest

LAW OF OCTOBER 6, 1928

ARTICLE 1. The maximum length of the working day for all employees, whether salaried employees or manual workers, employees in shops, offices, industrial or commercial establishments, and in general for all employees who render services in private establishments in return for a wage or salary or at piece rates, shall be eight hours.

ART. 2. The legal working days shall not exceed 6 per week, nor the weekly hours of work 48.

Sundays shall be obligatory rest days; and if it is impossible, because of the circumstances, to suspend work on Sundays, another day of the week shall be fixed by agreement between employers and workers and employees, with the cooperation of the labor inspector and subject to the approval of the Ministry of Social Welfare.

The rest day may be the same for all employees or may be granted in rotation if this is necessary owing to the nature of the work performed; the rest period shall be imposed by the aforesaid ministry.

The only circumstances because of which work on Sunday may be authorized occasionally or regularly are as follows:

1. The necessity of avoiding serious damage to the establishment or undertaking from an impending accident, and in general in any fortuitous circumstances or case of force majeure which must be dealt with immediately. In the event of such occurrence, it shall not be necessary to procure advance approval of the above-mentioned ministry, but the employer shall be required to notify the labor inspector within 24 hours after the occurrence of the accident,

under penalty of a fine of 50 sucres, which, on the application of this official, shall be imposed by the aforesaid ministry.

In such cases the work shall be limited to the time strictly necessary to deal with the damage or danger.

2. The obvious condition in certain industries, undertakings, or operations, that the work can not be interrupted owing to the nature of the needs which they satisfy, for reasons of a technical character, or in order not to cause serious injury to public interests.

ART. 3. The law does not recognize any obligatory rest days, other than the days mentioned above, except the national civil holidays now observed and which may hereafter be established by law.

ART. 4. The performance on Sundays of work done by the worker for himself, if performed publicly in factories, workshops, commercial establishments, and other work places, shall also be prohibited, subject only to the exceptions specified in article 2.

ART. 5. Night work, which shall mean work performed between 7 p. m. and 6 a. m., shall not exceed seven hours.

ART. 6. The provisions of this law shall apply jointly to owners, contractors, or managers who have joint interests in the same industry, undertaking, establishment, or business.

ART. 7. The following shall be excepted from the provisions of this law :

1. Domestic service and homework.

2. Services which are not continuous, casual work, and the work of commission agents or traveling salesmen.

3. The work of persons in position of trust, management, or supervision.

Work of the kind specified in this article shall be governed by special laws and regulations.

ART. 8. By an agreement in writing between the parties, the daily hours of work may be extended beyond the period fixed in the preceding articles, subject to the approval of the labor inspector and compliance with the following rules :

(a) Overtime shall not exceed 2 hours a day and 12 hours a week ;

(b) For each hour's overtime the employer shall pay the ordinary remuneration plus 50 per cent if the overtime falls between 6 p. m. and 12 midnight, and 100 per cent if the overtime is worked between 12 midnight and 6 a. m. on the following day ;

(c) In the case of work by the job or at piece rates, hours of work in excess of the legal 8 hours a day shall be taken into account in calculating the overtime remuneration ;

(d) The employer shall likewise pay an increase of 100 per cent for overtime worked on Sunday ;

(e) The increase shall not be paid if the overtime is not worked by order of the employer.

ART. 9. Not even by contract shall it be lawful to fix daily working hours longer than those prescribed in the preceding article. Only when any of the cases specified under section 1 of article 2 occurs may the said daily hours of work occasionally be increased, the employer being required to notify the labor inspector within the same time limit and subject to the same penalties and restrictions as those specified in said paragraph numbered 1 of article 2.

ART. 10. Any stipulation contrary to the provisions of this law shall be null and void, and any persons who agree thereto shall be liable to a fine which shall be imposed by the Ministry of Social Welfare at its discretion after a report of the labor inspector.

ART. 11. Any employer who refuses to pay wages or the pay fixed for overtime after being notified by the labor inspector to do so, shall be fined 50 sucres for the first offense and double that amount for successive violations.

Any employer who fails to grant the obligatory weekly rest day shall be liable to the same penalty.

The above-mentioned fines, and also other fines provided for in this law, shall be imposed by the Ministry of Social Welfare after a report of the labor inspector and shall be enforced by distraint proceedings by the treasurer of the Province in which the violation occurred. The proceeds of the fines shall accrue to the general funds of the State, and shall be invested preferably in the creation and operation of public libraries, night schools, workers' dwellings, and consumers' cooperative societies for workers.

ART. 12. The daily hours of work shall be divided into two parts, with an interval of two hours' rest between them, either after the first four hours' work or at whatever time the nature of the work which is being performed allows.

ART. 13. If a worker without sufficient cause fails to work the full time fixed by this law, he shall forfeit a proportionate part of his daily wage, unless he agrees with the employer to make up on subsequent days the hours of work lost without any wage or overtime pay.

In the case of important and urgent work which has been stopped by the fault of the worker, who ceased work without sufficient excuse, the employer shall be entitled to claim compensation from the worker for any loss caused by the delay. In this case the burden of proof as to the guilt of the worker rests with the employer.

ART. 14. If a general stoppage of work occurs owing to accidental or unforeseen causes, force majeure, or any other reason beyond the control of employers and workers, and the employer has paid wages or salaries in advance or continues to pay them during the stoppage, the following rules shall be observed:

(a) The employer shall be entitled to make up the time lost by increasing the working hours on the following days by not more than three hours, without being required to pay the overtime rates.

(b) This increase in the hours of work shall continue until the extra time is equal to the length of the stoppage as regards the number of hours and the amount of the wages or salaries paid.

(c) In order to avail himself of this right the employer, in addition to having paid in advance or continued to pay the wages or salaries corresponding to the duration of the stoppage, must inform the workers that they are free to seek other employment during the stoppage.

(d) If in the case under consideration the employer has paid wages and salaries in advance or continues to pay them during the stoppage of work and keeps the workers or employees in the establishment or factory until work is resumed, he shall forfeit the right to make up the time lost, but may avail himself of that right on paying overtime rates for the extra time worked and conforming in every respect to the provisions in article 8.

(e) Any worker who does not desire to work overtime shall refund to the employer any wages or salary which he has received for the duration of the stoppage of work.

(f) The workers shall not be required to make up the time lost unless advance permission has been obtained from the labor inspector, to whom the employer shall forward an application giving the date and cause of the stoppage of work, the number of hours during which work was suspended, the changes which must be made in the schedule of working hours, and the number and designation of the persons to whom the overtime is to apply.

ART. 15. In cases of unavoidable stoppage of work for reasons beyond the control of employers and workers, compensation shall not be payable for failure to give notice.

ART. 16. For the purpose of calculating the eight hours, actual working time shall be deemed to be all time which the worker or employee is not free to dispose of as he pleases but during which he is under the orders of his employer or superior; the rest periods specified in article 12 shall be excluded.

ART. 17. On obligatory rest days and during obligatory rest periods the employer shall not have the right to require the worker or employee to perform any work, even in the form of piecework or work by the hour.

ART. 18. A schedule of hours of work of the workers and employees shall be posted in a conspicuous place in every establishment covered by this law; the said schedule shall also show the hours of work of the shifts if shift work is necessary owing to the nature of the undertaking.

Any changes in the schedule of hours of work caused by compulsory stoppages of work, the making up of lost time, etc., shall be made known in the same way.

Where work is done in shifts, in the case of processes which can not be interrupted, the employee shall be entitled to be informed on the preceding day of the exact time at which his shift begins and ends, and shall be entitled to claim payment of his wages for any periods of waiting in case this notice is omitted.

ART. 19. The duties imposed upon the labor inspectors by this law with respect to supervision, power to authorize changes in schedules of hours of work, the making up of lost time, etc., shall be incumbent upon the national commissioners and local administrative officers in cantons and parishes in which there is no resident labor inspector.

ART. 20. The Ministry of Social Welfare and Labor shall have power to issue regulations for the application of this law to the different classes of industries,

establishments, etc., according to the nature of the work carried on therein and the distribution of working hours required thereby.

ART. 21. Factories and all establishments where work is carried on collectively shall transmit to the Ministry of Social Welfare an attested copy of their schedule of working hours and rules of employment not later than one month after this law goes into effect or after the beginning of operations in the case of a new establishment.

Any violation of this provision shall be punished by a fine of not more than 100 sucres imposed by the said ministry. The same penalty shall be imposed if the copies transmitted are inaccurate or the regulations have not been observed.

ART. 22. In the event of internal disturbance, international war, disasters, or crop failure rendering imminent a serious economic crisis or endangering national safety, the President of the Republic shall have power to suspend the operation of this law wholly or in part, and even to increase the daily working hours as long as the said state of affairs renders this necessary.

ART. 23. All legal provisions and regulations contrary to the provisions of this law are hereby repealed.

ART. 24. The Minister of Social Welfare and Labor, etc., and the Minister of Police shall be responsible for the administration of this law, which shall become effective January 1, 1929.

Apothecary Shops, Drug Stores, and Pharmacies

REGULATORY DECREE OF NOVEMBER 12, 1926

ARTICLE 1. Apothecary shops, drug stores, and pharmacies may remain open to the public on ordinary days from 7 a. m. to 7 p. m. only, with the exception of those whose turn it is to remain open all night to serve the public.

ART. 2. The observance of the Sunday rest law is declared compulsory for all apothecary shops, drug stores, and pharmacies, with the exception of those taking their turn at continuous service, in accordance with the laws applying thereto.

ART. 3. The proprietors of drug stores, apothecary shops, and pharmacies which are on continuous duty shall, in compliance with the eight hour law, assign to each of their employees the rest day to which he is entitled in accordance with the provisions of the law.

ART. 4. The proprietors of apothecary shops, drug stores, and pharmacies shall post in the most prominent place in their establishments the schedule of working hours for each employee, in conformity with the eight hour law.

ART. 5. The proprietors and employees of apothecary shops, drug stores, and pharmacies are subject to the labor laws in so far as they do not conflict with the present regulation. Therefore, all violations of the preceding provisions shall be punished as prescribed in article 22 of the regulation as to the general labor inspection service.

ART. 6. The Minister of Social Welfare and Labor and the Minister of Police shall be charged with the enforcement of this decree.

Barber Shops

REGULATORY DECREE OF NOVEMBER 12, 1926

ARTICLE 1. Barber shops may be open to serve the public on ordinary days from 7 a. m. to 7 p. m.; on Saturdays and the day before national holidays, until 10 p. m.; and shall remain closed on Sundays and civil holidays.

ART. 2. The proprietors and employees of barber shops are subject to all laws which apply, in so far as they do not conflict with this regulatory decree. Therefore, any violation shall be punished in accordance with article 22 of the regulation as to the general labor inspection service.

ART. 3. The Minister of Social Welfare and Labor and the Minister of Police shall be charged with the execution of this decree.

Employment of Women and Minors

LAW OF OCTOBER 6, 1928

ARTICLE 1. Minors under 14 years of age are hereby prohibited from working for others in any kind of work.

ART. 2. Only in exceptional cases may the labor inspector, if there is one in the place, or if there is none, the chief of police, authorize the work of minors between 12 and 14 years of age, provided they can prove that they have finished the minimum degree of school instruction required by the law, or that they are at that time attending an elementary school.

This authorization shall be granted only on proof that it is necessary for the minor to work in order to provide for his own support, or that of his parents or ascendants with whom he lives and who are unable to work, or of his brothers or sisters who are in the same situation.

ART. 3. Employers who employ minors under 18 years of age who have not finished their elementary education shall be required to allow them two hours a day during working hours so that they may attend school.

If there are no schools in the vicinity of the establishment, and there are employed therein more than 20 minors in the same situation, the employer shall establish a school at his own expense in which the said children shall receive elementary instruction, and in addition shall be taught the rudiments of the industry in which they are employed.

The Ministry of Public Education shall regulate the work of the schools established in accordance with this provision.

ART. 4. Parents, ascendants, guardians, and trustees, and in general all persons responsible for the maintenance and care of minors under 12 years of age, of either sex, shall be prohibited from employing them as domestic servants with the intention of deriving pecuniary profit from their work.

They can do this lawfully only when they can prove that the minor is required to work to provide for his own support and education, for which the aforesaid persons do not have adequate means.

In such cases the employer must provide for the required education of the domestic servant, on pain of incurring the penalties provided in the law.

If the domestic servant is over 12 but under 18 years of age, and has not completed the minimum degree of school education, the employer shall then be required to comply with the provisions in the first paragraph of the preceding article.

ART. 5. Minors under 16 years of age are absolutely prohibited from working over 8 hours a day or 48 hours a week.

ART. 6. Women, and minors under 16 years of age, are hereby prohibited from performing night work, except in the case of domestic service; by night work is understood that defined in article 5 of the law on the maximum length of the working day.

However, women over 18 years of age may be employed as nurses, and in establishments such as telephone exchanges, theaters, motion-picture houses, and other similar businesses that are operated at night.

ART. 7. Boys under 12 years of age, or unmarried girls under 16 years of age, are prohibited from engaging, for themselves or for others, in any occupation carried on in the street, public squares, and other public places.

ART. 8. It is hereby prohibited to employ women, or boys under 16 years of age, in industries or occupations which are considered to be dangerous or unhealthful; such industries or occupations shall be specified in a special regulation.

The prohibition laid down in this article refers, especially, to the following industries:

- (a) Distillation of alcohol and the manufacture or mixing of liquors.
- (b) Manufacture of white lead, red lead, and any other poisonous coloring matter, as well as the handling of paints, enamels, or varnishes containing lead or arsenic salts.
- (c) Manufacture and preparation of explosives, inflammable or caustic substances, or work on premises or at places where any of the above substances are manufactured or prepared, or are deposited in quantities which involve danger of accident.
- (d) Cutting and polishing of glass, polishing of metals with emery, and work on any premises or at places in which there is a constant emission of irritating and poisonous dust and fumes.
- (e) Loading and unloading of vessels, even if it is done by means of cranes and winches.
- (f) Underground work and work in quarries.
- (g) Work of engineers and firemen.
- (h) Greasing and cleaning of machinery in motion.

- (i) Handling of belts, circular saws, and other dangerous appliances.
- (j) Melting of glass and metals.
- (k) Transportation of incandescent substances.
- (l) The sale of distilled or fermented alcoholic beverages or employment on any premises where they are sold.

ART. 9. Notwithstanding the provisions in article 6 and in the preceding article, minors between 16 and 18 years of age are also prohibited from performing day or night work that is injurious to their morals and to their physical development.

It is the duty of the labor inspector to inform the Ministry of Social Welfare as to what occupations and industries shall be considered in the class referred to above, and the ministry shall be authorized to prohibit the employment of minors under 18 years of age therein.

ART. 10. In case a woman or a minor under 16 years of age meets with an accident or becomes ill and it is proved that it was caused by one of the occupations prohibited for such person by this law, or that the accident or illness originated under circumstances constituting a violation of these provisions, or when the woman or minor was in a work place in which her or his presence was unlawful, on this fact alone, the accident or illness shall be presumed to be due to the fault of the employer.

ART. 11. In every establishment employing minors under 18 years of age, a register shall be kept specifying their ages; the kind of work on which they are employed, specifying whether it is day or night work; the number of working hours; the wages that they receive; and a certificate that the minor has completed or is completing his required education.

A copy of this register shall be sent each month to the labor inspector, in places in which there is a resident inspector, and to the chief of police, elsewhere.

Either one of these officials may demand any proof which they consider necessary to verify the statements in the register.

ART. 12. It shall be prohibited to employ women in industrial or commercial establishments and other work places, whether urban or rural, public or private, for a period of three weeks before and three weeks after childbirth.

They shall stop working on presentation of a medical certificate stating that confinement will probably take place within three weeks.

ART. 13. Women may not be dismissed on account of pregnancy, and their positions must be kept for them during the 6-week period specified in the preceding article. In addition they shall be entitled to receive 50 per cent of their wages during that time.

ART. 14. Moreover, if a woman remains absent from her employment for a longer period as a result of illness which, according to a medical certificate, is due to the pregnancy or childbirth and incapacitates her to perform the work, she shall not be dismissed for this cause.

ART. 15. Every mother, for 9 months after childbirth, may take 15 minutes every 3 hours to nurse her child, unless the medical certificate fixes a shorter interval.

ART. 16. Violations of this law shall be punished by a fine of from 50 to 500 sucres, according to the circumstances; and the fine shall be doubled in case of repetition.

Each person unlawfully employed or woman dismissed from her position in violation of the preceding provisions shall count as a separate violation. In the latter case the proceeds of the fine shall be immediately turned over to the woman injured thereby.

These fines shall be imposed only by the Ministry of Social Welfare and Labor, and the provision in section 3, of article 11, of the law regarding maximum working hours shall be observed in the imposition of said penalty.

The police shall cooperate with the labor inspector and other special authorities in the verification of these violations.

ART. 17. All legal provisions which are contrary to this law are hereby repealed.

ART. 18. The Minister of Social Welfare and Labor, the Minister of Public Education, and the Minister of Police shall have charge of the execution of this law, which shall become effective January 1, 1929.

Individual Labor Contracts

LAW OF OCTOBER 6, 1928

ARTICLE 1. For the purposes of this law, by "employer" shall be understood any individual or legal entity, including the State, a municipality or other institution or organization of a public character, who or which undertakes the performance of any work, the operation of an industry, or the direction or management of any undertaking, either with his or its own capital or as a contractor, and engages under contract the services of employees, clerks, or workers, either individually or collectively.

ART. 2. For the purposes of this law, by "contract" shall be understood any employment relation which is established between the employer who offers the employment and a worker, clerk, or employee who undertakes to perform work or to render services in return for specified remuneration.

ART. 3. The labor contract may be express or implied, oral or in writing.

It is express when the employer and the employee enter into an agreement as regards the conditions of employment, either orally or in writing.

In the absence of an agreement, any employment relation between an employer and an employee shall be considered an implied labor contract.

ART. 4. For legal purposes every labor contract shall be presumed to have been executed in conformity with the provisions of the law, and allegations relative thereto, made in order to evade the obligations thus created, shall not be admissible.

ART. 5. The terms "labor contract," "employer," "domestic service," "home work," and any others expressly defined by this law shall be understood in their legal meaning in all other laws and provisions regarding labor.

ART. 6. The provisions of this law shall not apply to agricultural work nor to domestic service. By "domestic service" shall be understood services rendered in return for daily or other wages, or remuneration of any other kind, or without remuneration, and which are contracted for, not by an employer, but by the head of a household which is not carried on for purposes of gain, the domestic servant working in a private house or dwelling in the exclusive service of the contractor, his family, or his dependents, whether the servant is lodged in the household of his master or not.

Similarly, this law shall not apply to home work; by "home work" (*trabajo a domicilio*) shall be understood work in which only members of the same family are engaged under the direction of one of them.

ART. 7. Labor contracts concerning work which requires special technical or professional knowledge, contracts for a definite piece of work or for specified tasks, exceeding 1,000 sucres in value, or contracts providing for work binding for one year or more, must be executed in writing.

ART. 8. The maximum duration of a labor contract shall be one year if the contract is oral, and not more than three years if it is executed in writing, provided that on the expiration of the said time the contract may be renewed and shall be understood to be tacitly renewed if the worker or employee continues to render his services with the knowledge of the employer.

ART. 9. Labor contracts which under this law must be made in writing and those which are voluntarily made in writing shall be executed before the labor commissioner, in localities in which there is such an official, and before the chief of police in other localities.

Such contracts shall be exempt from the payment of all taxes and shall be drawn up in triplicate on unstamped paper: one copy shall be filed in the office where the contract is executed, and the other two copies shall be given to the employer and the employee, respectively.

ART. 10. Every written contract shall contain the following indispensable requisites:

1. The nature of the employment, work, or services undertaken by the employee and the manner of performance.

2. The agreed remuneration and the method of payment.

3. The duration of the contract.

4. The place where the work is to be performed.

ART. 11. Without prejudice to the provisions in the following article regarding the payment of wages, every labor contract shall specify the time in days if the work is not permanent and in weeks, months, or years in the case of permanent and continuous work; stipulation for work by the hour shall be absolutely prohibited.

ART. 12. No agreement providing for the payment of wages or salary at intervals of more than a week shall be executed either orally or in writing. If the employment is for work by the job or for work which can be delivered in portions, the employee shall be entitled to deliver the work done each week and to receive payment for it.

In cases in which the contract is for a piece of work which can not be delivered until it is complete, an advance equal to not less than one-third of the total remuneration, together with the sum necessary for the purchase of tools and materials, shall be agreed upon. In this case the employer shall be entitled to require the employee to give sufficient security.

This provision shall not apply to the remuneration of employees and clerks whose salaries may be paid at other intervals.

ART. 13. The labor contract shall terminate for the usual reasons for the expiration of contracts, and also when the time agreed upon has expired or the work has been concluded, or on account of force majeure, and in particular on the death of the worker or employee.

In the event of the death of the employer, his heirs shall be bound to carry out the contract under the conditions stipulated therein.

ART. 14. The fact that a company or commercial establishment, an industrial enterprise, or any other employer has to suspend business shall not be considered a case of force majeure; in such circumstances the workers employed shall be paid their wages according to the provisions of the contract, if a contract had been entered, into, or if not, in conformity with the usual rules of practice. Sums due to employees on account of unpaid wages shall in every case be considered a privileged credit for the purpose of payment.

This shall also apply in the event of the bankruptcy of the employer.

If the ownership of an enterprise changes, the former owner shall not thereby be exempted from the obligations imposed upon him by the labor contracts into which he entered, unless it has been expressly stipulated that all the obligations undertaken by the former owner shall be binding upon the new owner.

ART. 15. A worker or employee shall be entitled to terminate the contract before the expiration of the time agreed upon for the following reasons:

- (1) Dishonest or immoral conduct on the part of the employer.
- (2) Gross insults or acts of violence toward the worker or employee.
- (3) Serious failure on the part of the employer to discharge his obligations under the contract.
- (4) Failure on the part of the employer to comply with the provisions of the law respecting the prevention of industrial accidents.

In all such cases the worker or employee shall also be entitled to compensation of not exceeding 50 per cent of the wages or salary due for the unexpired period of the contract, such compensation to be fixed by the competent judge in his discretion.

ART. 16. The employer, on the other hand, shall be entitled to dismiss a worker or employee before the expiration of the time agreed upon and without payment of any compensation, in any of the following cases:

- (1) In such cases as specified under Nos. 1, 2, and 3 of the preceding article.
- (2) If the worker or employee commits acts of insubordination during the employment, or if he incites other employees to commit such acts.
- (3) If the worker or employee absents himself from his work for more than three days without sufficient reason.

ART. 17. Both the worker or employee and the employer shall have the right to terminate the contract voluntarily before the expiration of the time agreed upon, provided the employer shall pay the other party compensation equal to one month's wages if the period of the contract does not exceed one year, and two months' wages if the period agreed upon was more than one year. The worker or employee shall pay half the above compensation in such cases.

ART. 18. All persons capable under the civil law of entering into contracts shall have the right to enter into labor contracts, without prejudice to the following rules:

- (1) Males over the age of 18 years may conclude contracts freely, whether or not they are under paternal authority, and shall be considered as free agents for the purposes of the contract.

- (2) In order to enter into a contract, persons under the age of 18 years but over 14 years shall require the express permission of their parents or, in the absence of parents, their ascendants or the persons who are responsible for their maintenance and care, or their guardian if they are wards. In the absence of any such persons, the authorization of the labor inspector where there is

such an official, or of the chief of police in other localities, shall be required. In the latter case such young persons shall receive their wages directly and shall be entitled to dispose freely thereof.

(3) A married woman who is actually or legally separated from her husband shall be considered to have been given authority by the Ministry of Justice for all purposes in connection with the contract, including the right to receive her remuneration.

ART. 19. Oral contracts shall not be valid if the terms thereof are not agreed upon before the official appointed under this law to approve written contracts. Notes of the agreement shall be entered in a special register, and a copy thereof shall be given to either of the parties at any time on application. Such copy shall be the only evidence admissible in an action for the enforcement of the obligation.

In other respects oral contracts shall be governed by the provisions with respect to written contracts.

ART. 20. Contracts which are considered under the law to have been concluded by implication shall also be governed by these provisions in so far as they are applicable.

In case of a dispute between the employer and the worker respecting the wages stipulated or the kind of work which the worker is to perform, the decision in both cases shall be based on the wages received and the work or service performed during the preceding month.

If this rule is not sufficient to determine, in case of dispute, any of the conditions of employment tacitly agreed upon, the custom of the locality in question for the same kind of work shall be taken as the criterion.

Even if the duration of the work is not fixed in this kind of contract, neither the employer, nor the worker, nor employee shall have the right to terminate the contract inopportunistly, being bound on this point by the provisions of the law with respect to notice to terminate the contract (*ley de desahucio*).

ART. 21. Wages not exceeding 100 sucres a month shall not be liable to attachment, except for maintenance allowances due under the law.

Wages exceeding 100 sucres a month may be attached for other legal reasons, but only in the following proportion:

If the wage is not less than 101 sucres nor more than 150 sucres a month, not more than 5 per cent of the monthly amount.

If the wage is not less than 151 sucres nor more than 200 sucres a month, not more than 10 per cent of the monthly amount.

If the wage is not less than 201 sucres nor more than 300 sucres a month, not more than 15 per cent of the monthly amount.

If the wage is more than 300 sucres a month, not more than 20 per cent of the monthly amount.

ART. 22. Legal actions arising out of labor contracts must be brought within one year from the termination of the contract.

ART. 23. All legal provisions contrary to the provisions of this law are hereby repealed.

ART. 24. The Minister of Social Welfare and Labor is charged with the administration of this law, which shall become effective January 1, 1929.

Notice Required for Termination of Employment Contracts

LAW OF OCTOBER 6, 1928

ARTICLE 1. This law shall apply to all contracts entered into between an employer and a worker, employee, or clerk.

ART. 2. If a time for the duration of the work has not been fixed neither party may terminate it without giving notice to the other party in writing at least one month in advance when given by the employer, and 15 days in advance when given by the worker or employee.

ART. 3. The employer who dismisses a worker or employee prematurely, that is, without giving the notice stipulated in the preceding article, shall be required to pay him compensation equivalent to one month's pay computed on the basis of the daily wage.

ART. 4. The worker or employee who, without sufficient reason, and without providing a substitute approved by the employer, leaves his work without giving the 15 days' notice, shall pay the employer a sum equivalent to 15 days' wages; and if he can not do so, he shall be required by the proper authority to continue his work for an equivalent period of time.

ART. 5. If the leaving of the worker or employee prematurely, causes loss to the employer, because the work affected is urgent, the worker or employee shall be required to make good the loss caused by the stoppage of his work, unless he has sufficient cause for leaving.

ART. 6. The employer or the worker or employee may terminate the work at any time, on payment to the other party of the sums mentioned in articles 3 and 4.

ART. 7. Notice of dismissal shall not be necessary in the following cases:
(a) In the case of contracts which specify a fixed period for the duration of the work.

(b) If the services of the worker have been contracted for a period less than one month.

(c) If the worker deserts or disappears; in which case he shall be subject to the penalties stipulated in articles 4 and 5.

(d) In cases of forced stoppage of work due to force majeure, a fortuitous event, or any other cause beyond the control of the employers or workers.

ART. 8. Similarly, notice shall not be compulsory for a worker or employee who leaves his employment for any of the just causes specified in article 14 of the law on individual labor contracts; in which case he shall be entitled, in addition, to compensation which shall be fixed in conformity with the provisions of this law as if the case were one of premature dismissal.

ART. 9. The employer, on his part, shall not be required to give 30 days' notice in case he has to dismiss the worker or employee for any of the causes specified in article 16 of the law cited in the preceding provision; and under such circumstances the worker shall lose all right to compensation.

ART. 10. In the case of piecework or work by the job, if the employer does not fulfill his contract, or breaks it after it has been begun, he shall pay the worker for that part of the work that has been performed and in addition the percentage fixed by the authorities in their discretion as compensation. The cases specified in paragraphs (c) and (d) of article 7, as well as the case mentioned in the preceding article, shall be excepted from this provision.

ART. 11. When, under similar circumstances, the worker refuses to perform or complete the work, he may be compelled by the authorities to complete it or to compensate the employer, without prejudice to the provision in section (d) of article 7 and in article 8.

ART. 12. When by virtue of the contract the worker has had to move from his place of residence to another locality, he shall have the right to collect from the employer the amount of money necessary for the trip there and return.

ART. 13. The employer who expects to liquidate definitively or to discontinue his business shall give one month's notice to all his workers or employees, failing which he shall be required to pay the respective compensation.

ART. 14. The provisions of this law do not apply to work which is not of a continuous nature or occasional work, provided that in the former case its duration is specified and in the latter case the work is necessitated by unexpected or urgent causes.

ART. 15. The compensation provided for in article 3 shall be modified as follows in cases of permanent work:

(a) The worker or employee who has worked longer than a year shall be entitled to compensation equivalent to two months' wages based on the last pay received.

(b) The worker or employee who has worked longer than two years shall be entitled to be compensated with an amount equivalent to one month's pay for each year he has worked.

Cases in which the worker or employee stops working voluntarily or through his own fault, shall be excepted from this provision.

ART. 16. The competent authorities for the enforcement of this law shall have the power to impose on the violator thereof, in addition to the penalties established in the preceding articles, a fine up to 50 sucres or imprisonment from one to seven days, in case of repetition or if he is duly proved to have acted maliciously. There shall be no appeal from this decision except to the Minister of Social Welfare and Labor who shall decide it on the merits of the case.

ART. 17. The authorities competent to try the cases referred to in this law shall give notice of each judgment and decision to the labor inspector of the respective district.

The inspectors shall prepare statistical tables which they shall send monthly to the Ministry of Social Welfare, or shall report at the same intervals the

total absence of judgments in such cases, under penalty of a fine of 50 sucres, that shall be imposed summarily by the said ministry.

ART. 18. All legal provisions contrary to the provisions of this law are hereby repealed.

ART. 19. The Minister of Social Welfare and Labor and the Minister of Police shall have charge of the enforcement of this law, which shall become effective the 1st of January, 1929.

Procedure in Actions at Law Relating to Labor

LAW OF OCTOBER 6, 1928

ARTICLE 1. Disputes which arise in connection with the administration of the labor laws, or respecting the carrying out or cancellation of contracts of employment or over the payment of the legal compensation due on account of industrial accidents and, in general, any action at law which has any relation to labor, shall henceforth be settled by the authorities specified in this law and in conformity with the procedure specified herein.

ART. 2. The sole authority competent to hear and settle disputes which arise between employers and workers or employees for any of the causes specified in the preceding article shall be the labor commissioners in localities where there are such officials, and in other localities the superior police authority, which shall not have the right to delegate its powers in this connection.

If the labor commissioner is unable to act for any reason, the chief police authority for the locality shall act in his absence.

The executive shall be empowered to appoint labor commissioners in the districts where the circumstances require it, for which provision shall be made in the State budget.

ART. 3. An employer or worker or employee who desires to claim any right shall present himself before the competent authority, in compliance with the preceding section; his complaint may be made in writing or orally. In the latter case the judge hearing the case shall record it in writing. Documents in cases of this kind shall be drawn up on unstamped paper.

ART. 4. When an application of the kind specified in article 1 is submitted, the judge shall summon the defendant to appear at once.

The summons shall be by formal notice in writing, which may be repeated as often as three times if necessary, at intervals of 24 hours; it shall be served on the defendant by the clerk of the competent authority or by a police officer. If the defendant is not found at his residence, the notice shall be left with any member of his family or a servant, or in default of such persons shall be affixed by the official concerned to the door of the house or dwelling of the defendant.

The notice shall specify the subject of the complaint, but it shall not be necessary to cite the relevant legal provisions.

ART. 5. If the defendant fails to appear within 48 hours after service of the summons or to furnish a sufficient reason for such failure to appear, the judge at the request of the other party or ex officio shall declare the defendant in default and shall pronounce his decision.

ART. 6. If facts which require proof are alleged in the complaint or in the answer thereto, a peremptory time limit of three days shall be allowed for the purpose of presenting evidence, on the expiration of which the decision shall be pronounced within 48 hours.

ART. 7. Settlement of the compensation due by an employer to a worker or employee or by the latter to an employer on account of the work shall be made in a summary oral proceeding before the judge presiding in the case or before the officials specified in article 2, but the time limit for presenting evidence shall not in any case exceed three days.

ART. 8. In cases covered by this law the judge may disallow forthwith any malicious question made for the purpose of delaying the proceedings or causing prejudice to the other party; he may even impose a fine not exceeding 50 sucres on this ground.

ART. 9. In actions arising out of the work the report of the labor inspector shall be an essential part of the proceedings. In localities where no labor inspector is resident, the competent authority shall appoint a labor inspector ad hoc, preference being given in making the appointment to an employee of known good character.

ART. 10. If the decision requires one of the parties to pay a sum of not more than 500 sucres, there shall be no other legal remedy than a complaint (*queja*), which shall be heard by one of the judges (*juces letrados*) in the Province concerned.

ART. 11. If the decision requires one of the parties to pay a sum exceeding 500 sucres, the losing party may appeal to the respective superior court, but only for a new hearing. This court shall then decide on its merits; provided, that if it sees fit it may order the production of such other evidence as may be necessary for such decision.

If the decision appealed from is affirmed, a fine of not less than 50 nor more than 100 sucres shall be imposed on the appellant, and shall be collected and invested in conformity with the provision of article 11 of the law on the maximum duration of the working day.

ART. 12. The defenders of the poor shall be required to act for any employees who apply for their assistance. For this purpose employees and their heirs shall be entitled to sue in forma pauperis.

ART. 13. All laws and provisions contrary to the provisions of this law are hereby repealed.

ART. 14. The Minister of Social Welfare and Labor and the Minister of Police shall be responsible for the administration of this law, which shall come into operation on January 1, 1929.

Retirement Annuities and Pensions

Civil Employees

LAW OF MARCH 8, 1928

PART 1. *Institution of the fund*

ARTICLE 1. In the capital of the Republic there shall be created a fund for civil retirement annuities and pensions, military retirement annuities and pensions, savings, and mutual funeral benefits, a credit institution having juridical personality, which on being organized in accordance with this law shall be named "Retirement fund" (*Caja de Pensiones*) and shall have for its object:

(1) To attend to the payment of retirement annuities to public employees who reach the retirement age or who become incapacitated for work by reason of the same.

(2) To establish a civil pension fund for the families of public employees who die while serving in their positions or while receiving a retirement annuity.

(3) To pay when due the military retirement annuities and pensions.

(4) To receive the funds that the employees and other contributors deposit in order to form a productive capital of savings, issuing therefor registered bonds to the contributors.

(5) To collect contributions for the mutual funeral funds, in order to replenish with them the funds intended for meeting emergencies.

(6) To make loans to the employees and to the public, in the manner determined by the administrative council and in accordance with the by-laws.

Loans made to Government employees that are not paid when due, and whose payment is approved by the party interested, or ordered by the judge, shall be discharged by the respective disbursing officer, who shall retain and deliver to the fund, one-half of the salary which the debtor receives, but only upon notice by the manager to his official superior, who shall notify the disbursing officer thereof.

If the debtor employee dies before satisfying the credit in full or in part, the fund shall collect the same by taking 25 per cent of the pension, if the employee was entitled to one; otherwise it shall be paid with the capital which the deceased had in the savings fund or the funeral fund, without prejudice to the right to bring an action for the debt against other property of the estate.

ART. 2. The following persons are excepted from the provisions of this law concerning retirement annuities and pensions:

(a) The President of the Republic and the members of his cabinet, who may however take advantage of this law on the basis of the length of service; and for this purpose a 5 per cent deduction shall be made from their salaries or from the income which they specify in accordance with article 3.

(b) Men in the army, navy, and air service, who shall be governed by the military laws pertaining thereto.

(c) Foreigners who work for the State under contract, unless they wish to take advantage of the benefits granted by this law.

ART. 3. All persons may receive the benefits granted by this law as if they were Government employees, except the mutual funeral fund, which shall be understood to be only for Government employees, by merely fixing a taxable annual income to serve as a basis for the computation of the deductions for the retirement and savings funds.

ART. 4. A Government employee who ceases working for the Government may prevent interruption of the time [necessary] for the retirement annuity by continuing to pay the contributions established by this law, on the basis of the percentage corresponding to the last salary received.

PART 2.—Resources of the fund

ART. 5. The resources of the fund, which shall be assigned to the various purposes in the quantities and manner established by this law, are:

(a) The monthly contributions that Government employees and other persons covered by the benefits of this law pay for retirement annuities, savings, and pensions.

(b) The product of a 5 per cent deduction on all retirement annuities.

(c) The interest or profits of the capital of the fund.

(d) Fifty per cent of the increase of the first month's salary of an employee when given an increase in salary.

(e) The contributions paid by the persons named in article 3.

(f) The deductions and donations made in conformity with the military retirement and pension laws.

(g) Any donations that the national treasury, municipalities, or private persons may make to the fund.

ART. 6. The amounts deposited in the Bank of Loans (*Banco de Préstamos*) as retirement funds and the product of the 5 per cent created by this law for the same purpose shall form the capital of the fund in the civil retirement and pension division, which capital shall not be limited to a definite amount, since it will be increased every month and indefinitely with the 5 per cent contributions.

ART. 7. The product of the 5 per cent assigned by the military laws for retirement annuities and pensions shall form the capital of the fund in the military retirement and pension division, which shall be increased indefinitely by the contributions provided for by the said laws.

ART. 8. The product of the 5 per cent deductions intended for the savings accounts and the profits, which shall be compounded in favor of each contributor, shall form the capital of the fund in the savings department. Such capital can not be limited to a certain sum, since it will be increased monthly and indefinitely by the 5 per cent contributions and the profits that are not withdrawn.

ART. 9. The fund shall give to those who pay the 5 per cent for civil-retirement annuities and pensions, military-retirement annuities and pensions, savings and funeral funds, a receipt for the amount paid in monthly or every 15 days and shall keep a personal account for each contributor to the savings fund.

ART. 10. The fund accumulated since 1923 from deductions made from the salaries of public-school employees, and which is deposited in the Bank of Loans (*Banco de Préstamos*), shall immediately be turned over to the fund after this law becomes effective, to constitute the first base of operations.

ART. 11. The profits earned by the capital of each of the divisions established by articles 6, 7, and 8 shall belong to the respective division for the purposes provided in this and the military laws.

PART 3.—Retirement annuities

ART. 12. The retirement annuity is the monthly income for life that shall be paid to employees who have rendered services in the public administration, national or municipal.

ART. 13. The retirement annuity shall be granted commencing with the year 1933, in accordance with this law, and provided the conditions required by the following article have been satisfied; and this shall be so even when, after this law has become operative, there are employees who are entitled to the annuity under the provisions of this part.

Employees who are compelled to retire from the administration because they have reached the age limit fixed in article 22, and those who are totally or partially incapacitated in consequence of the work, are excepted from this rule, and may receive annuities before the date indicated in the preceding paragraph.

ART. 14. The following are the requisites for the receipt of the annuity:

(1) That the employee has paid 5 per cent of the annual salary received for his work from October 1, 1923, or from the date on which he entered the service, if this was subsequent to that date.

(2) That the employee has rendered services for 10, 25, or 30 years or longer, according to the cases specified in this law.

The years shall be computed by the number of contributions, 12 or 24 deductions being equal to one year, according to whether the 5 per cent is deducted monthly or semimonthly. This provision does not refer to the length of service prior to October 1, 1923, which shall be computed by the number of years.

ART. 15. Those who publish books of recognized scientific benefit shall be entitled to an allowance, for a single time, for the purpose of the retirement annuity of from one to three years, according to the merits and importance of the book.

The allowance shall be granted by the President of the Republic upon a favorable opinion by the commission of experts who examine the work, which commission shall be appointed by the Minister of Public Education.

ART. 16. Employees who, in the performance of their work or as a consequence thereof, contract a disease which incapacitates them for the work shall be entitled to retirement, provided they have been employed at least 10 years.

ART. 17. When the retirement annuity must be granted because of disability for work, the interested party must submit to a physical examination by the board of physicians appointed by the administrative council.

ART. 18. In case of partial disability, the fund shall grant a retirement annuity of from 15 to 30 per cent of that for total disability, according to the circumstances.

ART. 19. In case of disability, either partial or total, the annuity shall be granted only for a fixed period of time, being renewed periodically if the disability continues.

ART. 20. The administrative council shall grant the annuity after examining the certificates proving that the petitioner has fulfilled the requisites demanded by this law, such certificates to be specified in the respective by-laws.

ART. 21. The annuity shall entitle the beneficiary to the following income:

If the employee has served 30 years, he shall receive the full annuity regardless of his age at the time of retirement.

The employee who has served 25 years and is over 60 years of age shall receive the annuity in full.

Employees under 60 years of age who have served 25 years shall receive 80 per cent of the annuity, but if said employees continue working until they complete the limit of 30 years they shall receive the full annuity thereafter.

An employee who retires under the terms of article 16 shall receive an income not exceeding 60 per cent nor less than 20 per cent of his full annuity, graduated at the discretion of the administrative council, according to the degree of incapacity and the number of years of service.

ART. 22. A Government employee who is 65 years of age will be compulsorily retired from the service, being entitled to an annuity regulated in the following manner: Twenty per cent when he has served less than 15 and more than 10 years; 50 per cent when he has served more than 15 and less than 20 years; 60 per cent when he has served more than 20 and less than 25 years; when the time of service is 25 years or over, the provisions in paragraphs 1 and 2 of the preceding article shall apply.

ART. 23. Government officials and employees who have reached the age limit necessary for retirement may continue in their offices until they are 70 years of age, provided the interested party solicits this privilege and it is approved by the President of the Republic, the Supreme Court, or the particular municipal council, according to whether officials or employees of the political, judicial, or municipal administration are involved.

The decision shall take into consideration the health and ability of the petitioner for the work, but when the employee reaches the age of 70 years he can not continue in the service.

ART. 24. Retired employees have no right to receive any part of the annuity if they are receiving a salary from another government position; and the obligations of the fund shall be suspended for the duration of the new employment.

ART. 25. The annuity shall be a sum equal to the average salary the employee received during the last five years of his employment.

ART. 26. The contribution required of the Government employee for the retirement annuity shall be deducted monthly or semimonthly from his salary by the disbursing officer at the time of paying the salaries.

ART. 27. Within eight days at the most after the salaries are paid and the deductions made, the disbursing officers shall deposit the product of the 5 per cent in the retirement fund. In case this is not done, interest at the rate of 1 per cent per month will be charged for the delay.

ART. 28. The persons mentioned in article 3 shall deposit monthly 5 per cent of their declared income, which shall be taken as the base for the retirement annuity. The said income may be increased or decreased, in which case the retirement annuity shall be based on the average thereof.

ART. 29. Employees who have rendered services to the national or municipal public administration before this law becomes effective shall have such time taken into consideration for the purpose of the retirement annuity, provided they deposit in the fund the amount of 5 per cent of the salaries they have received since October 1, 1923, or from the date on which they started to work, if this occurred after that date.

The amount of the 5 per cent referred to in this article, as settled by the administrative council, may be paid in partial payments over a period of time not to exceed five years from the date when this law becomes effective.

When the period of time granted for the payment of the said 5 per cent expires, no more payments on that account shall be received, and the employees who have not made such payments shall lose the right to have their previous services taken into consideration.

ART. 30. When a person has rendered services both in the civil and military administrations he shall be granted the retirement annuity, all the time being computed under this or the military law according to whether he has spent the greatest part of his time in the service of the military or civil administration.

ART. 31. A member of the military service who, while receiving the retirement annuity, enters the service of the civil administration, without prejudice to the provisions of the military laws as to receiving salary and annuity, shall be required to contribute 5 per cent of the salary that he receives in the civil employment, and shall have the right to include that time in computing his years of service, so as to increase his annuity one-thirtieth part for each year, on the average income for that position for five years.

The amount of the increase in the annuity shall be applied to the retirement funds.

ART. 32. If an employee does not complete the number of years required for retirement because he has been discharged or for any other circumstance, he shall be entitled to the return of all the money he has paid into the fund by reason of the 5 per cent deductions for the retirement annuity, provided he has been paying into the fund for three years or more.

The reimbursement shall be settled and ordered paid by the administrative council immediately upon application of the interested party.

The same procedure shall be followed in the case of an employee who should be retired because of disability for the work but who has not completed the required 10 years.

The persons designated in article 3 shall not receive the benefit granted by this article unless they have contributed to the fund for at least five years.

ART. 33. If the employee who has taken advantage of the provision in the preceding article later reenters the service of the public administration, national or municipal, he shall return to the fund the money he has received if he desires that his former services be counted in computing the time; otherwise the day on which he begins making payments of 5 per cent of his salary in his new position shall be considered as the first day of his service.

PART 4.—Pensions

ART. 34. A civil pension is the monthly income for life which the heirs of an employee in the service, who dies under the conditions established by this law, shall receive.

ARR. 35. The heirs of an employee who died while receiving a retirement annuity shall be entitled to the pension, provided the employee made the 5 per cent contributions from the date specified in paragraph (1) of article 14, and that such payments were continued for at least 10 years.

ARR. 36. The requisites for receiving the pension are:

(1) The employee must have died under circumstances which would have entitled him to the retirement annuity under the provisions of the preceding part.

(2) The employee must have contributed to the fund for at least 10 years.

ARR. 37. The pensions shall be regulated in the following manner:

The heirs of a deceased employee who was retired shall receive an income not exceeding 60 per cent nor less than 20 per cent of the retirement annuity.

The heirs of an employee who dies in the service shall receive an income of not less than 20 per cent nor more than 80 per cent of the average salary received by said employee during the last five years, the amount being regulated according to the number of years of service.

ARR. 38. The pension shall be due from the time of death of the employee, and only those persons specified below shall be entitled thereto, in the order indicated.

ARR. 39. The legitimate descendants of the deceased, his legitimate ascendants, his natural children, his illegitimate children, his legitimate sisters, and the widow are entitled to the pension.

ARR. 40. The descendants receive the pension by personal right or by right of representation in accordance with the rules of the Civil Code.

ARR. 41. The legitimate children exclude all others named for the pension, without prejudice to the portion belonging to the widow, which shall be equal to the share of a child.

If one of those who are receiving a pension dies, his share shall be added to that of the survivors.

ARR. 42. If the deceased dies without leaving legitimate issue, his legitimate ascendants of the nearest degree, his widow, and his natural children shall receive the pension. In this case, 50 per cent of the pension goes to the widow; 25 per cent to the legitimate ascendants; and 25 per cent to the natural children.

If there is no widow or no natural children, the pension shall be divided into two parts, one for the legitimate ascendants and the other for the natural children or the widow.

If there is neither widow nor natural children, all the pension shall go to the legitimate ascendants.

If there is only one ascendant of the nearest degree, he shall receive all the pension, or all the portion due the ascendants.

In the absence of legitimate ascendants, or natural or illegitimate children, all the pension shall be granted to the widow.

ARR. 43. If the deceased left no legitimate or natural children, his illegitimate children shall receive the portion of the pension assigned to the children, with the persons indicated in article 43.

If the deceased left only illegitimate children, and neither ascendants nor widow survive, all the pension shall go to the illegitimate children.

In order that the illegitimate children may receive the pension it shall be necessary that the status of the illegitimate child be stated in a legal document or in any other manner provided by the Civil Code.

ARR. 44. If the deceased left neither descendants, ascendants, nor spouse, the pension shall be assigned to the legitimate sisters of the deceased, and on the death of any one her share shall be added to that of the others but not to exceed 20 per cent.

ARR. 45. The distribution established in the preceding provisions can not be changed by testamentary act nor in any other manner.

ARR. 46. Pensions shall be granted from the year 1933, notwithstanding any right acquired before such date, and in the same manner as stated in article 13, part 3, for retirement annuities.

ARR. 47. The following shall not continue to receive the pension nor be entitled to it:

(1) The son who attains the age of 21 years, or who before that age is receiving a salary from the Government, unless he is permanently incapacitated for work and unable to support himself;

(2) The widow who was legally separated from her deceased husband because of some fault of her own;

(3) The widow, daughters, and sisters who marry; and

(4) All those who are unworthy to be the successors of the deceased, according to the Civil Code.

ART. 48. All pensions that are not paid or that are extinguished shall remain in the fund.

ART. 49. The right of accrual [of a pension of another] shall take effect only in case of death.

ART. 50. The right to receive a pension can not be transferred by an act inter vivos or by succession in case of death.

ART. 51. No person shall receive two or more pensions. The one eligible thereto shall choose the one he desires.

ART. 52. The pension shall be granted by the administrative council in the same manner as the retirement annuity.

ART. 53. The heirs of an employee who dies before completing the number of years of service required for the pension shall be entitled to be reimbursed for all the money which he has contributed to the fund, on the same terms as provided in paragraph 1, article 32.

PART 5.—*Savings*

ART. 54. Government employees in actual service at the time this law becomes effective may voluntarily open a savings account by contributing to the fund the monthly percentage which they desire.

This contribution shall be compulsory for employees who enter the Government service for the first time; they shall contribute 5 per cent of their salaries monthly.

ART. 55. The 5 per cent referred to in the preceding article shall be deducted monthly or semimonthly by the disbursing officers, who shall proceed in the manner prescribed in article 26, and shall send to the fund with the contributions a list of the employees, stating the amount deducted from each one of them.

ART. 56. The contributions received by the fund as savings deposits shall be credited to the personal account of each contributor, and shall be invested in the operations authorized by this law in order to obtain the profits resulting therefrom.

ART. 57. Registered bonds of 100 sucres each shall be issued for the value of the savings funds; said bonds shall be issued and delivered every six months to the contributing employees, the number going to each one depending on the amount of the deposits during the 6-month period.

If in the account of an employee, when what is prescribed in the preceding paragraph is done, there remains a balance which is not enough to cover the value of another bond, it shall be carried as a first dividend on the following 6-month period.

ART. 58. The bonds issued for the savings fund are personal, and for that reason shall not be transferable by acts inter vivos, except to the fund, which alone can acquire them; nor shall they be attached or sold at public sale except in case of a debt to the fund.

ART. 59. The contributors to the savings fund may withdraw their deposits only in the following manner and cases:

(a) Fifty per cent of the funds deposited in case of proven necessity; and 50 per cent of the new contributions may be withdrawn, provided that in between they have deposited a minimum of 12 contributions.

(b) They may withdraw the whole amount of their contributions when they leave the Government employ.

(c) They may also withdraw their entire funds when they show proof that they are to be invested in rural or urban real property or in any other profitable investment.

(d) In case of the death of the contributor, his heirs may withdraw the contribution.

The interest on the savings fund shall be compounded periodically until the day on which the capital is withdrawn, in accordance with this article, and shall be paid together with the same.

ART. 60. For the purpose of succession in case of death, the savings-fund bonds shall form a part of the estate of the deceased, and the heirs, at their discretion, may keep them to receive the interest or sell them to the fund, which alone can buy said bonds, for their nominal value.

ART. 61. The bonds bought by the fund in conformity with the provisions of the preceding article shall be transferred in the first semiannual period in which new bonds are issued.

PART 6.—*Mutual funeral fund*

ART. 62. All employees of the public administration, whether national or municipal, in active service or retired, shall, when this law becomes effective, deposit in the fund, through the disbursing officers, the amounts indicated below for the first death that occurs:

- (a) Employees receiving a monthly salary over 500 sucres, 1 sucre;
- (b) Those who receive from 150 to 500 sucres per month, 50 centavos;
- (c) Those who receive up to 150 sucres per month, 25 centavos.

ART. 63. Whenever an employee who is in the service or retired dies, the fund shall pay to his heirs a sum equal to the amount on deposit for emergencies.

ART. 64. The payment having been made, the administrative council shall notify the disbursing officers in order that they may deduct from the salaries of all the employees referred to in article 63 the sum of 1 sucre, 50 centavos, or 25 centavos each, as may be indicated, in order to take care of the next death.

ART. 65. Whether the succession of the deceased worker is testamentary or intestate, only the descendants, the surviving spouse, the ascendants and sisters shall be entitled to the funeral fund, in the manner established for the distribution of the civil pension.

ART. 66. If the deceased did not leave any person specified for the pension in accordance with this law, the sum deposited shall go to increase the resources of the fund, which shall pay the funeral expenses in an amount not to exceed 500 sucres.

ART. 67. In case of war, internal armed conflicts, epidemics, and force majeure causing the death of various persons simultaneously or in succession, the provisions of this section shall not be observed. The suspension of these provisions shall be made at the discretion of the President of the Republic.

PART 7.—*Organization and operation of the fund*

ART. 68. The administrative council of the fund shall be composed of: The Minister of Social Welfare, who shall be its chairman; the Chief Justice of the Supreme Court; the president of the Central University (*Universidad Central*); the Inspector General of the Army; the chairman of the Municipal Council of Quito, representing the municipalities; and two delegates, appointed by mutual agreement of the employees' associations of the Republic. If for any reason the nomination of these two delegates is not made within the time fixed by the by-laws, they shall be appointed by the President of the Republic.

The manager of the fund, who shall be named by the administrative council, shall act in the capacity of secretary of this council and shall have only an informative vote.

ART. 69. The duties of the administrative council are the general management and supervision of the fund and the duties assigned to it by this law, as well as those assigned in the by-laws.

ART. 70. There shall be, in addition, an executive commission composed of three members appointed by the administrative council.

This executive commission shall have charge of the operations of the fund and its members shall be liable personally and financially for operations in violation of this law or the by-laws.

ART. 71. The manager and the members of the executive commission shall be elected for a term of three years, but the members first appointed shall remain in office one, two, and three years according to the order of their election. The manager and the members may be reelected an indefinite number of times.

ART. 72. The manager shall act as the legal representative of the fund.

ART. 73. The organization of the fund, strength and form of its operations, internal administration for the functioning of the council, number of employees, their salaries, and other details shall be regulated by the by-laws of the council, which shall be issued by the President of the Republic.

ART. 74. The fund shall pay the retirement annuities, pensions, and funeral benefits after approval by the administrative council, and report it to the manager.

ART. 75. The fund shall require that those receiving a pension shall prove their survivorship every six months.

ART. 76. The provincial governors, and through them the political heads of the cantons, and their assistants shall be required to demand the proof of survivorship during the months of January and July of each year, to send the certificates to the administrative council, and to report immediately each case of death, emergency, birth, and other circumstances modifying the manner of paying the pensions or causing the suspension or cancellation of the benefit.

ART. 77. The administrative council shall take special care to employ proper and legal means in order to prevent a person from acquiring right to the funeral fund or pension through false identity.

For the same reason the council is empowered to question the civil status of any person who claims to be entitled to the fund, said claim to be impugned by the legal representative of the fund in the manner and form prescribed by the civil code.

The above provision is understood to be without prejudice to the penal action involved in cases of fraud.

ART. 78. The conditions required in order that the fund may establish branches in the capitals of the Provinces, as well as the amounts to be used in the creation of divisional pension funds, shall be stipulated in the by-laws.

PART 8.—*General provisions*

ART. 79. Only the retirement annuities actually in existence at the present time shall be considered in the Federal budget, and no new annuities shall be considered.

ART. 80. In the granting of military annuities and pensions the respective laws shall be followed.

ART. 81. Retirement annuities and pensions and funeral benefits shall not be subject to attachment except for the payment of maintenance allowances which are legally due. The funeral benefit shall never be taken into consideration for the payment of the debts of an estate.

ART. 82. The by-laws shall give in detail the scale of percentages, according to the length of service, for the beneficiaries of the retirement annuity or pension.

ART. 83. The operations of the fund, its property and income, are exempt from all national or municipal taxes; in the same way, the documents and bonds of the fund shall not be subject to the use of stamps or stamped paper, and are therefore exempt from the provisions of article 29 of the income-tax law and article 11 of the stamp duty law.

ART. 84. This law repeals all preceding retirement laws, and all provisions of law that may be contrary thereto, except the military laws.

ART. 85. This law shall be in force from the date of its publication in the Registro Oficial.

Transitory provision

ART. 86. Until the fund begins to function, the disbursing officers shall make the deductions referred to in this law from the salaries of the Government employees beginning with this month's salaries, and shall deposit them in the Central Bank (*Banco Central*).

Bank Employees

LAW OF OCTOBER 6, 1928

ARTICLE 1. Compulsory retirement for bank employees, including the Central [Bank], is hereby established in Ecuador.

ART. 2. To form the retirement and disability fund for the persons enumerated, the retirement fund (*Caja de Pensiones*) shall, from the date this decree law goes into effect, receive each month the following contributions, to be carried in a special fund:

(a) Each one of the employees referred to in article 1 shall pay 5 per cent of his salary.

(b) The banking institution shall pay 5 per cent of the salaries of its said employees.

The 10 per cent formed by the accumulation of the percentages stipulated in (a) and (b) shall be deposited in the retirement fund monthly by the person in charge of paying the salaries in each bank; and the manager of the retirement fund shall give a receipt, specifying each of the employees from whom the deductions have been made.

The disbursing officer who is required to make the deduction shall be personally liable for delivery of the funds, which he shall make within eight days from the monthly payment of the employees. The managers are jointly liable with the disbursing officers in this matter.

The eight days shall be counted from the 1st of the month, starting the 1st of November of this year and the first deposit being made not later than the 8th of that month.

For the purpose of this provision, employees must be paid at least once a month.

ART. 3. The retirement fund shall open an account for each of the employees referred to in this law, showing his contributions and also those of the employer. A book shall be given to each one of the contributors, in which shall be entered the same amounts, for the purpose of verification. These books shall be renewed each year and shall constitute proof of the payment for the purposes of the case, being signed at the beginning of the deposits and at the end of each year by the contributing employee, the manager of the bank, and the manager of the retirement fund.

ART. 4. The banking institutions are required to retire employees who, by reason of age, disability, or length of service, are entitled to this privilege. This obligation begins when this decree goes into effect, and shall be discharged in accordance with the provisions of the law of civil retirement annuities and pensions, savings, and mutual funeral benefits.

The obligation established by this article admits of no exception, and failure to comply therewith shall be punished by a fine of from 500 to 2,000 sucres, according to the amount, without prejudice to the right of the retirement fund to pay the retirement annuity and to collect an equivalent sum every month by judicial process against real or personal property of the representative of the banking institution.

ART. 5. The retirement fund shall begin in 1933 to make payments of retirement annuities to the employees referred to in this decree, but only in proportion to the fund accumulated by the share of each contributor and of his employer. The rest of the annuity shall be paid by the respective bank.

ART. 6. The banking institutions and the employees referred to in this decree shall prove all the particulars relative to the salaries and working conditions of each one of the employees before the manager of the retirement fund in Quito and the respective governors in the other Provinces.

ART. 7. Within the period of three months from the promulgation of this decree, all the employees covered by the same shall prove their ages and the length of service in the employment that entitles them to the annuity before the authorities named in the preceding article. The governors shall be personally responsible for the collection of complete statistics, which they shall send to the retirement fund.

ART. 8. In the same period of time as that allowed in the preceding article, the retirement fund, through the respective administrative authorities, shall prepare statistics of all the banking institutions referred to in this decree. Said institutions shall be required to register, listing the number of employees, before the respective governor or chief political authority, or before the manager of the retirement fund; and shall be punished by a fine of from 100 to 1,000 sucres for each month of delay, if they allow the specified period to elapse.

ART. 9. The petitions, proofs, procedure, etc., shall be subject, for all purposes, to the provisions of the law on civil retirement annuities and pensions, savings, and mutual funeral benefit, and to the by-laws of the retirement fund. In the same manner the administrative council shall decree the retirement, fix the annuity, and notify the institution required to make the payment.

ART. 10. Any bank employee who voluntarily or for a just cause leaves his employment shall be entitled to collect the amount of his contributions and the employer's contribution for him, without any other proof than the verification of the amounts according to the accounts in the respective books.

But if the separation was due to inefficiency in the performance of his duties, he shall be entitled only to the amount of his contributions and not to the

employer's contribution, which shall accrue to the benefit of the retirement fund.

ART. 11. If a separated employee wishes to have the time of his previous services computed, after having withdrawn the funds referred to in the respective article, the provisions of article 33 of the law of civil retirement annuities and pensions, savings, and mutual funeral benefits, shall be observed.

ART. 12. The employees referred to in this decree, who wish to come under the law of civil retirement annuities and pensions, savings, and mutual funeral benefits, of March 13 of this year, shall be subject to the provisions of articles 3 and 28 of the same; and in such case the obligation of the banks to pay the contribution corresponding to the employees shall be suspended, and the latter shall be required to satisfy the same.

ART. 13. From the time this decree goes into effect it shall be prohibited, under penalty of a fine of from 100 to 1,000 sucres, to reduce the present salaries of the employees in the institutions referred to in article 1; or to require the employee to pay out of his salary the percentage owed by the employer.

ART. 14. The fines established by this decree shall be imposed by the Ministry of Social Welfare, after proof of the violation, and shall go to increase the retirement funds of the employees of the institutions in question.

ART. 15. The procedure, conditions of service, contributions, circumstances of age, disability, etc., shall be subject to the provisions of the law of March 13, heretofore cited, in everything not expressly stipulated in this decree, and to the provisions of the by-laws of the retirement fund, with the exception of the provisions concerning compulsory savings, funeral funds, and civil pensions, which apply only to public employees.

ART. 16. The Minister of Social Welfare shall administer this decree, which shall become effective from this date.

General Labor Inspection Service

LAW OF JULY 13, 1926

ARTICLE 1. A general labor inspection service, under the direction of the Ministry of Social Welfare and Labor, is hereby created.

ART. 2. The bureau of this name in the respective ministry shall be in charge of the work of this inspection.

ART. 3 (as amended by decree of February 2, 1927). The territory of the Republic is hereby divided into five districts, each of which shall be placed under the jurisdiction of a general labor inspector. The first district is composed of the Provinces of Carchi, Imbabura, Pichincha, and Leon; the second of Tungurahua, Chimborazo, Bolivar, and Napo-Pastaza; the third of Cañar, Azuay, Loja, and Santiago-Morona; the fourth of Guayas, Los Rios, El Oro, and the Archipelago of Colon; and the fifth of Manabi and Esmeraldas.

ART. 4. The executive shall issue regulations for the organization and duties of the labor inspection service.

ART. 5. This decree shall become operative on July 15, instant, the Minister of Social Welfare and Labor and the Minister of the Treasury being charged with its enforcement.

REGULATORY DECREE OF JULY 29, 1926

ARTICLE 1. For the purposes of this decree, the general labor inspection service of the Republic shall consist of a general office of inspectors, and five inspectors who shall have jurisdiction in the districts specified in the following article.

ART. 2 (as amended by decree of February 2, 1927). The Republic of Ecuador is hereby divided into five districts:

(a) District 1, composed of the Provinces of Carchi, Imbabura, Pichincha and Leon.

(b) District 2, composed of the Provinces of Tungurahua, Chimborazo, Bolivar, and Napo-Pastaza.

(c) District 3, composed of the Provinces of Cañar, Azuay, Loja, and Santiago-Morona.

(d) District 4, composed of the Provinces of Guayas, Los Rios, El Oro, and the Archipelago of Colon.

(e) District 5, composed of the Provinces of Manabi and Esmeraldas.

CHAPTER 1.—*Purpose of the labor inspection service*

ART. 3. The essential purpose of the labor inspection service to be established in the Republic is to enforce the observance of the laws and decrees referring to labor conditions and the protection of the workers in the pursuit of their occupation (hours of work, night work, overtime, provisions relating to sanitation, protection of the health of workers, and safety measures, especially in factories, compensation for industrial accidents, and other provisions in force regarding labor contracts).

ART. 4. In addition to its essential purpose, as given in the preceding article, the inspection service shall endeavor to promote the expansion of production, by stimulating the workers and also by inducing the employers, as far as possible by conciliatory and amicable means, to improve their establishments, machinery, methods of work, and all matters affecting the welfare of the worker and the increase of output.

CHAPTER 2.—*Powers and duties of the labor inspection service*

ART. 5. The entire personnel of the labor inspection service shall be considered administrative officials, and shall therefore be subject to the law respecting internal administration in all matters that are not specifically covered by the decree creating the general labor inspection service or by this regulation.

ART. 6. The duties of the director of labor inspectors shall be as follows:

(a) To oversee the work of the inspectors, making periodical visits, at least once a year, for the purpose of seeing that the progress of the service is satisfactory, and to report to the ministry as to the manner in which each inspector performs his duties and with regard to any complaints against the inspectors.

(b) To make a monthly summary report to the ministry of the work performed by the labor inspectors, based on their reports to him, showing the results obtained by the administration of the laws and decrees in force, and indicating the omissions and deficiencies observed and the manner in which they may be remedied.

(c) To carry out and cause to be carried out by his subordinates the orders of the Minister of Social Welfare.

(d) To keep the books and have charge of the files and other documents of the labor office.

(e) To seek the better attainment of the objects for which the Department of Labor was created, submitting to the ministry drafts of decrees and laws pertaining thereto.

ART. 7. The Director of the Department of Labor shall be the secretary of the advisory board, the sessions of which he shall attend and in which he may have a voice but not a vote; he and the chairman of the board shall both sign the records of the sessions.

ART. 8. The inspectors have the following powers and duties:

(a) To visit and inspect all work places, such as factories, workshops, agricultural enterprises, mines, and industrial establishments in general, at any time of the day or night when it may be necessary, subject merely to the presentation of their credentials to the manager, superintendent, or director of said factories, etc. Each one of these establishments shall be visited at least once a year.

(b) To report to the Director General of Labor any violations which they may observe, accompanied, if possible, with the relevant data or evidence.

(c) To submit to the general office a monthly report giving details of the visits made to the establishments under their jurisdiction.

(d) To watch for and to investigate opportunely and in advance any causes which may give rise to disputes between employers and workers, and to communicate the particulars to the general office.

In case of a strike they shall submit a special report, in which shall be stated the causes leading up to the strike, the phases through which the strike has passed, and the steps to be taken in order to prevent a recurrence. They shall likewise devote particular attention to the prevention of unemployment, and if unemployment becomes prevalent they shall investigate the matter and submit to the Department of Labor any suggestions which may seem desirable.

(e) To suggest to the employer or the person concerned any alterations which it may be necessary to make in the plant or machinery in order to secure the enforcement of the laws or regulations relating to sanitation, safety,

or the welfare of the workers. If the employer refuses to comply with the recommendations made, the inspector shall notify the Director General of Labor.

After a report of the experts specified in article 14 of these regulations, or in lieu thereof the report of two persons of experience and of recognized honesty and competence, the inspectors, in case of imminent danger to the life or safety of the workers, may order the immediate closing of the establishment, the stopping of work, or the total or partial stopping of the machinery from which the danger is threatening, the Ministry of Social Welfare being notified at once. Such an order of the inspector shall be carried out notwithstanding any appeal which may be made to the ministry or any other opposition of the person concerned.

The person concerned may appeal to the Ministry of Social Welfare and Labor against the orders of the inspectors in the cases referred to in the preceding paragraph.

(f) To visit periodically the work places in their respective districts, to collect all possible information, to deal with complaints and protests submitted by employers and workers, and to endeavor to secure an amicable settlement. If they fail to secure such a settlement, they shall report the matter to the Ministry of Social Welfare.

ART. 9. The labor inspector shall note any irregularities observed in the course of his visits of inspection and shall suggest to the ministry changes which should be made and measures which it may be necessary to adopt.

ART. 10. The labor inspector shall endeavor by all the means in his power to promote the progress and growth of trade-unions, and also of consumers' cooperative societies, night schools, and workers' libraries where they exist, and the establishment thereof where they do not already exist.

ART. 11. The labor inspectors shall require employers and managers or superintendents of factories, workshops, agricultural enterprises, mines, etc., to furnish monthly in writing detailed data of the number of industrial accidents which have occurred in their establishments, the causes and results of such accidents, those which have proved fatal, and the compensation paid to the persons injured thereby. The inspectors shall immediately check these particulars and transmit them to the ministry. The inspectors shall also investigate on their own account the accuracy of the data furnished, and shall inquire into accidents which have not been reported to them and make any suggestions and observations to the ministry that the case or cases require.

ART. 12. The labor inspectors shall require employers, managers, superintendents, etc., of factories, workshops, agricultural enterprises, and other places of employment in which the number of workers or employees exceeds 20 to issue work rules for their establishments.

The work rules shall be submitted to the Ministry of Social Welfare for its approval, and after approval shall be posted in a conspicuous place in the factory, workshop, etc.

A time limit of two months from the date of the promulgation of these regulations shall be fixed for sending in the above-mentioned work rules.

The inspectors shall supervise the observance of the said work rules, which shall be considered to have the force of law within the places of employment concerned. In case of a violation thereof, the inspector shall at once notify the ministry.

The work rules shall not be altered without previously being submitted to the General Labor Office.

ART. 13. The labor inspectors may apply to the ministry for an order to close any establishments which fail to satisfy the necessary requirements of sanitation and health; their application shall be accompanied by a report from the medical health officer or the municipal health officer.

ART. 14. In cases of technical inspection in the revision of gangways, machinery, boilers, electrical conductors, etc., and whenever they consider it desirable in order to secure a more satisfactory decision, the labor inspector shall consult with a civil engineer working under the national or municipal department of public works.

ART. 15. In the application to agriculture of laws and decrees relating to labor, the inspectors shall endeavor to adjust the said laws and decrees to the customs of each district. If it is impossible to do so without serious injury to agricultural production, they shall consult the General Office before adopting any decision.

ART. 16. In the performance of their duties the inspectors shall endeavor to observe strict impartiality and to maintain their authority both with respect to employers and workers.

CHAPTER 3.—*Organization of the inspection service*

ART. 17. All the personnel of the General Office may be freely appointed and removed by the executive, who shall be guided in his choice by the evidences of ability and honesty shown by the aspirants for the respective positions.

ART. 18. The inspectors shall be under the immediate direction of the General Office, through which they shall receive the orders and instructions necessary.

ART. 19. The inspectors shall take a solemn oath not to reveal the secrets of manufacture and in general the business processes which they may learn. Any violation in this respect committed by the inspectors shall be punished by discharge from the service, without prejudice to any damages which may be payable to the person affected.

CHAPTER 4.—*Penalties*

ART. 20. Fines for repeated violations of the laws, decrees, and regulations relating to labor shall be imposed by the ministry concerned after the accused person has been heard.

ART. 21. No fine shall be imposed without previous warning.

ART. 22. Fines shall not exceed 50 sucres in the case of a first offense and in the case of further offenses shall be increased by 25 per cent on each occasion, provided they are imposed for the same reason. The fines shall be collected by the revenue officer for the Province, who shall take action after receiving instructions from the Ministry of Social Welfare.

ART. 23. The proceeds of the fines imposed under this decree shall be utilized for the establishment and development of consumers' cooperative societies, public libraries, and night schools, which shall be under the auspices of the Ministry of Social Welfare and shall be supervised by the inspectors.

ART. 24. The labor inspectors shall be appointed to the places considered advisable by the ministry concerned.

ART. 25. The Minister of Social Welfare and Labor shall be responsible for the administration of this decree, which shall come into operation at once.