

creditors by easily extending limited liability protection to enterprises which are in essence personal, rather than corporate.

Among the amendments focusing on the large corporations, the most notable is the reform in corporate financing as mentioned in (3) above. In particular, the need for flexible issuance of preferred stock necessarily involves the issuance of non-voting stock, and the latter is often regarded as an effective defensive measure against hostile takeovers, which recently have begun to emerge in Japan.

Even though these amendments were originally planned as the second stage of efforts to complete full-scale amendment of corporate law, the result is that only a small portion of the problems remaining from the first stage are solved by these amendments. Consequently, amendment efforts will be continued into the future.

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3. Labor Law

Partial amendment of the Cabinet decree on the provisional regulations concerning working hours provided in the Article 32, paragraph 1 of the Labor Standards Act and Partial amendment of the Ordinance concerning the Labor Standards Act.

[Outline of the Amendment]

1. Normal working hours per week shall not exceed 44 hours, except in enterprises engaged in primary industry or those listed below.
2. Normal working hours per week shall not exceed 46 hours in the following enterprises:

- 1) enterprises engaged in manufacturing and employing 100 or less workers;
 - 2) enterprises engaged in mining;
 - 3) enterprises engaged in construction and employing 300 or less workers;
 - 4) enterprises engaged in transportation;
 - 5) enterprises engaged in freight handling;
 - 6) enterprises engaged in the sale of goods and employing 100 or less but 10 or more workers;
 - 7) enterprises engaged in show businesses including films and plays and employing 30 or less but 10 or more workers;
 - 8) enterprises engaged in health care or sanitation and employing 30 or less but 10 or more workers;
 - 9) hotels or restaurants employing 300 or less but 10 or more workers;
 - 10) enterprises engaged in incineration, cleaning, or butchery.
3. Normal working hours per week shall not exceed 48 hours in the following enterprises:
- 1) enterprises engaged in the sale of goods and employing 9 or less workers;
 - 2) enterprises engaged in show businesses including films and plays and employing 9 or less workers;
 - 3) enterprises engaged in health care or sanitation and employing 9 or less workers;
 - 4) hotels or restaurants employing 9 or less workers.

[Comment]

In 1987, the Labor Standards Act was amended to reduce working time. Article 32, paragraph 1 of the amended Act provides for 40 hours per week as the maximum of the normal working hours. Supplementary provisions of the Act, however, entrust weekly working hours regulations to cabinet decree for an unspecified period. The cabinet decree, which had originally allowed 46 hours' work per week, provides for 44 hours now, although some exceptions to this 44-hour principle remain.

Article 36 of the Labor Standards Act allows overtime work

provided that the employer reaches an agreement with the trade union composed of a majority of the workers at the establishment or, if there is no such union, with persons representing a majority of the workers at the establishment. The Act does not regulate the length of the overtime work at all. The Act also does not regulate the process for electing workers' representatives, although there are many unorganized enterprises in Japan.

Working time regulations of the Labor Standards Act do not apply to enterprises engaged in primary industries.

In those circumstances, Japanese legislation appears insufficient to reduce working time.

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4. International Law

— Treaties and Agreements —

Multilateral:

An Amendment of Article VI of Statute of the International Atomic Energy Agency, accepted on March 20, 1990, entered into force on December 28, 1989.

Extention of the International Coffee Agreement 1983 Approved by the International Coffee Council in its Resolution on 3 July 1989, accepted on July 17, 1990.

Convention of Psychotropic Substances, accepted on September 1, 1990, entered into force on October 29, 1990.

Quatrième Protocole additionnel à la Constitution de l'Union postale universelle, accepted on December 28, 1990, entered into force on January 1, 1991.

Règlement général de l'Union postale universelle, accepted on December 28, 1990, entered into force on January 1, 1991.