that it was ultra vires for the Congress to grant Federal Court subject matter jurisdiction over civil actions between foreign plaintiffs against foreign sovereigns. The action related to a contract for purchase of cement by Nigeria, the parties agreeing that the contract be governed by the laws of the Netherlands and that disputes would be settled by arbitration before the ICC in Paris. When the Central Bank unilaterally directed its correspondent banks to adopt a series of amendments in relation to all letter of credit issued in relation to this and other cement contracts, Verlinden sued the bank alleging an anticipatory breach of the relevant letter of credit and alleging jurisdiction under Foreign Sovereign Immunities Act. While holding that a federal court might exercise subject matter jurisdiction the court which originally heard the matter had dismissed the complaint because none of the exceptions from the doctrine of sovereign immunity established in the Act applied. The Court of Appeals had confirmed the decision on the ground that to the extent that the Act purported to confer jurisdiction in disputes between foreign plaintiffs and foreign states it was ultra vires. The Supreme Court did not find it necessary to consider whether the case fell within one of the exceptions in the statute; accordingly the case was remanded to the Court of Appeals to consider whether jurisdiction existed under the Act itself.

SOVEREIGN IMMUNITY - WAIVER OF IMMUNITY

Maritime International Nominees Establishment v. Republic of Guinea 693 F.2d 1094; 22 ILM 86 (1982).

Under a contract the parties agreed that disputes should be resolved by arbitration conducted by arbitrators selected by the president of the International Centre for the Settlement of Investment Disputes, ICSID. No place was determined for the location of those proceedings, and no arbitration in fact took place. The plaintiff sought an order compelling arbitration before the American Arbitration Association. The U.S. Court of Appeals held that even though the agreed arbitration would probably have taken place in the United States, this did not consitute a waiver in terms of s.1605(a)(2) of the Foreign Sovereign Immunities Act by the Republic engaging in commercial activities in the United States or engaging in commercial activities elsewhere causing a "direct effect" in the United States.

SOVEREIGN IMMUNITY: IRANIAN HOSTAGES

In Persinger v. Islamic Republic of Iran 690 F.2d 1010 (1982) the United States Court of Appeals DDC, held that the Foreign Sovereign Immunities Act, 1976 did not confer immunity from suit on Iran in relation to the taking of the U.S. hostages. The issues were whether this act occurred in "the United States" and whether it was "discretionary". These were matters of statutory interpretation. Reference to "United States" included all territories under the jurisdiction of the U.S. which includes U.S. embassies. However, the seizure was a patently illegal act and therefore not discretionary.

The plaintiff was one of the hostages and his claim had been extinguished by the President in the general settlement with Iran. The issue was one of the separation of powers; the President might extinguish claims altogether when the imperatives of events made it necessary to resolve an international crisis.

JUDGEMENTS IN A FOREIGN CURRENCY

Re Lines Bros. Ltd. [1982] 2 All ER 183 (C of A)

The Miliangos principle [1975] 3 All ER 801 permitting judgement in a foreign currency and allowing conversion at the date of judgement was not applicable in a liquidation. Thus a debt payable in Swiss francs was convertible into sterling at the commencement of the liquidation in 1971. The value of the

pound sterling in terms of the Swiss franc had since declined by as much as 40 per cent. Miliangos related to a contractual obligation; here the creditors' right was no longer contractual but statutory. This, as well as simplicity and convenience, were sufficient reasons to distinguish Miliangos.

INTERNATIONAL FNANCIAL LAW - AIR LAW - TREATIES

In Franklin Mint Corporation v. Trans World Airlines 22 ILM 92 (1982) the Court was called on to interpret article 22 of the Warsaw Convention which limits an airlines liability in terms of Poincaré francs, a unit of account consisting of a specified weight of gold. Because the official price of gold had been abolished in 1978, there were four alternatives in converting the liability limit: the last official price of gold; the free market price; the SDR (a unit of account established by the IMF valued in terms of a weighed basket consisting of the U.S. dollar, the pound sterling, the Japanese yen, the French franc and the West German deutschmark), or the exchange value of the current French franc. In the view of the U.S. Court of Appeals (Second Circuit) there were powerful arguments against each of these alternatives. For the purposes of this case the court adopted the official price of gold; however it observed that it did not have the authority to select a unit of conversion for future judgements. This was a political question not appropriate for the court. Therefore the limits of liability under the Warsaw Convention would be unenforceable in relation to events creating liability from 20 December 1982. A stay has been granted pending consideration by the Supreme Court of a petition for appeal. The U.S. District Court for the Northern District of Illinois Eastern Division, in selecting the last U.S. official price of gold - $42.22 cents per oz, did not follow the decision in Franklin Mint: Deere v. Lufthanza 22 ILM 82 (1983).

INTERNATIONAL TRADE - BOYCOTT - VALIDITY OF U.S. EXPORT CONTROLS

In Briggs and Stratton Corporation v. Aldridge 539 F.Supp.1307 (1982) the plaintiff unsuccessfully challenged the constitutionality of the U.S. anti-boycott laws contained in the Export Administration Act, 1979. The plaintiff alleged that it had been black listed because it failed to correctly answer a questionnaire from the Arab league. Violation of the boycott provisions in the Act involve both civil and criminal penalties.

ADMINISTRATIVE VETO UNCONSTITUTIONAL

Further to our casenote in [1983] Australian IL News 4, a report of the decision has now been made in (1983) 51 U.S. Law Week 4907, and a casenote in (1983) 57 ALJ 545; where the learned editor makes some comparison with Tasmania v. Commonwealth, the Dam Case 57 ALJR 450 (1983).