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Argentine Congress Debates Privatization Legislation

by LADB Staff
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Argentine legislators are debating this week a sweeping privatization bill to be applied to numerous public enterprises. Not all state productive and financial concerns, however, are subject to coverage by the new legislation. Ruling Radical Party and Peronist deputies reached an agreement last week according to which 29 state corporations have been excluded from the provisions of the bill. On the evening of Oct. 13, official sources informed NOTICIAS ARGENTINAS that a bill sponsored by Radical Party Deputy Ugo Socchi specifies that these corporations cannot be privatized without the prior passage of special legislation on a case by case basis.

Among the 29 corporations are the following: General Port Administration (Administracion General de Puertos); Argentine Airlines (Aerolineas Argentinas); water and electricity companies; National Argentine Bank (Banco de la Nacion Argentina); National Mortgage Bank (Banco Hipotecario Nacional); National Development Bank (Banco Nacional de Desarrollo); currency printing plant (Casa de Moneda); National Atomic Energy Commission (Comision Nacional de Energia Atomica); Argentine Maritime Enterprise (Empresa Lineas Maritimas Argentinas); National Postal and Telegraph Enterprise (Empresa Nacional de Correos y Telegrafos); National Telecommunications Enterprise (Empresa Nacional de Telecomunicaciones); Argentine Railways (Ferrocarriles Argentinos); National Radio; sanitation works; Bahia Blanca Petrochemicals; General Mosconi Petrochemicals; Argentine Steel Corporation (Somisa); Yacimientos Carboniferos Fiscales, and Yacimientos Petroliferos Fiscales. Conflict has emerged between the congress and the executive regarding the exclusion of Somisa, Bahia Blanca Petrochemicals and General Mosconi Petrochemicals from the blanket privatization plan.

When Radical and Peronist congresspersons reached an agreement on the 29 companies last week, the Raul Alfonsin administration submitted a resolution requesting that the three companies be included in privatization plans. According to an Oct. 13 report by official news agency NOTICIAS ARGENTINAS, the congress had thus far refused to approve the administration's request. All political parties represented in the congress are opposed to the measure, including the ruling Radical Party. The Peoples Front a coalition of Peronists, Communists, Socialists and Independents and the Intransigent Party argue that privatization of key industries is part of an agreement between the Alfonsin administration and the International Monetary Fund (IMF) in order to receive new standby credits. Meanwhile, the administration argues that several economic sectors dominated by state enterprises must be modernized, and that private investment is essential to this process.

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