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John Neagle

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## **Peru: Justice Minister Resigns In Protest Over Government's Handling Of Bank Nationalization Program**

*by John Neagle*

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The Peruvian government's controversial bank nationalization program once again made front page headlines on Feb. 17 with the resignation of Carlos Blancos, Justice Minister and chairman of the Christian Democrat party. Blancos resigned in protest over the executive's plans for implementing certain elements of the nationalization program. According to the local press, the minister had voiced his support for establishing a 70% ceiling for government ownership of stocks of the banks, insurance companies and finance companies targeted for "nationalization." Meanwhile, President Alan Garcia who had earlier promoted the 70% government participation rate accepted bankers' demands to limit government stock ownership to 51%. Next, Blancas reportedly disagreed with government's decision to act as sales agent in the stock distribution. According to the former minister, this task should be handled by the national congress. President Garcia introduced the bank nationalization decree in July 1987. As the result of a tumultuous anti-nationalization campaign launched by the private sector, Garcia accepted a series of modifications in the original decree, such as partial rather than full public ownership of the financial institutions. To the present, the government has initiated formal intervention proceedings in only three of the targeted 17 companies. (Basic data from Prensa Latina, 02/17/88)

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