DTG 151539Z JAN 92
FROM (b)(3):10 USC 424
TO TO RUEKJCS/DIA WASHDC
RHLBAAA/USCINC SO QUARRY HEIGHTS PM
CONTROLS CONFIDENTIAL SECTION 01 OF 02
CONFIDENTIAL SERIAL: (U) IIR (b)(3):10 USC 424

/******* THIS IS A COMBINED MESSAGE ********/
BODY COUNTRY: (U) ARGENTINA (AR).
SUBJ: IIR ARGENTINE CONGRESS APPROVED THE 1992 NATIONAL BUDGET IN A TIMELY MANNER (U)
WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE. REPORT CLASSIFIED CONFIDENTIAL.

- DEPARTMENT OF DEFENSE

DOI: (U) 911220-920114.
REQS: (U) (b)(3):10 USC 424


TEXT: 1. -(€-)

ACCORDING TO OFFICIAL FIGURES THE 1992 GDP WILL GROW 6.5 PERCENT, THE ANNUAL INFLATION RATE IS EXPECTED TO REMAIN AT 7 PERCENT AND GOVERNMENT EXPENSES ARE PROJECTED TO GROW BY 7.2 PERCENT. THE APPROVED NATIONAL BUDGET SHOWS THE TOTAL GOVERNMENT EXPENSES FOR 1992 TO BE 17,997,000,000
PESOS. THE ENTIRE BUDGET IS REFLECTED IN PESOS, THE NEW MONETARY SYSTEM EFFECTIVE 1 JAN 92. ONE 1992 PESO EQUALS ONE DOLLAR.

2. THE ANNEX TO THE NATIONAL BUDGET PLAN SHOWS THE DIFFERENT ACCOUNTS IN DETAIL. ACCORDING TO THE APPROVED BUDGET THE DEFENSE ESTABLISHMENT WILL RECEIVE A TOTAL OF 1,738,738,000 PESOS, AS REFLECTED IN THE PROPOSED BUDGET (CITE IIIR \((b)(3):10 USCR 424\) COMPRISING 9.65 PERCENT OF THE NATIONAL BUDGET EXPENDITURES. THE DEFENSE BUDGET SHOWS A 24 PERCENT INCREASE FROM THE 91 BUDGET.


(b)(1):1.4 (c)

2. ALTHOUGH THE 1992 BUDGET FOR THE ARMED FORCES INDICATES A 24 PERCENT INCREASE OVER LAST YEAR’S DON’T EXPECT IT TO HAVE A SIGNIFICANT IMPACT ON THE FORCE. IN ESSENCE THE OVERALL DEFENSE BUDGET FOR 92 IS THE SAME AS THE 91 WITH THE ADDED INCREASE OF 60 MILLION PESOS TO PAY IN 92 FOR GOODS AND SERVICES RECEIVED IN 91. THE ONLY SIGNIFICANT BUDGET INCREASE THE SERVICES WILL EXPERIENCE IS THROUGH THE SALE OF PROPERTY AND REDUCTION OF PERSONNEL WHICH IN TURN REQUIRE CAPITAL TO FINANCE THE ACTION.
3. WITHIN THE SERVICES THE ARGARM UNDER THE LEADERSHIP OF LTG MARTIN ANTONIO ((BALZA)) IS FORGING AHEAD WITH THE SALE OF ARMY PROPERTIES AND REDUCTION OF PERSONNEL. THE PROCEEDS FROM THE SALES OF PROPERTIES WILL BE ADDED TO THE SAVINGS REALIZED FROM UNPAID SALARIES OF SEPARATED OR RETIRED PERSONNEL TO FINANCE THE ARGARM RESTRUCTURING AND ANY POSSIBLE SALARY INCREASES.