

FORMER PHILIPPINE FINANCE CHIEF'S DEATH BELIEVED SUICIDE.By **Chaitanya Kalbag**

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MANILA, Dec 7, Reuter - Former Philippine finance minister Jaime Ongpin was found with a bullet wound in the head in his Manila office on Monday in what his son and police said looked like suicide.

Police investigator Romeo Urbana said a guard at the building housing Ongpin's office found the former minister slumped over his desk with a .38 calibre revolver in his right hand.

He said Ongpin had a bullet wound in the right temple and nothing in the office had been disturbed. "It looks like it was a suicide," Urbana said.

The former minister's son Rafael told reporters his 49-year-old father had been depressed since September when he was dropped in a cabinet reshuffle by President Corazon Aquino after months of disagreement with colleagues over the cash-strapped nation's economic direction.

"He probably took his own life because of deep-seated depression," Rafael said, adding his father had been very unhappy for the last weeks of his life.

Harvard-trained Ongpin left the government two months after concluding an agreement with 483 creditor banks on rescheduling the country's 13.2-billion-dollar foreign debt.

The agreement won him praise in some sectors but bitter criticism in others that he had sold out to international financiers.

Aquino said in a statement on Monday: "The sudden death of Jimmy Ongpin shocked me as it must all our countrymen. Jimmy was an outstanding Filipino who had the courage of his conviction.

"He was one of my top advisers, a model of honesty, probity and industry. The tragedy of Jimmy's death humbles us all," she added.

Former cabinet colleagues of Ongpin also expressed deep shock at the death.

"Jimmy Ongpin was a fighter. He knew how to fight. It's very difficult for me to understand that possibility (of suicide)," said Trade and Industry Secretary Jose Concepcion.

Ongpin was one of Aquino's closest aides in the first months after she took power in February 1986 but drifted apart from her because of disputes with her trusted executive secretary Joker Arroyo.

Arroyo was dropped along with Ongpin in the September cabinet reshuffle.

"There was no point in being there, engaged in a war of attrition. My approvals and recommendations were not moving through the presidential palace with any kind of responsiveness," Ongpin told Reuters the day he was dropped.

Philippine law barred the independently wealthy Ongpin from private sector jobs for at least a year after leaving government and he told Reuters he planned to open a consultancy until the deadline expired.

In an interview earlier this year he said he yearned for the days when he headed Benguet Corporation, the country's largest copper and gold mining conglomerate.

"All of a sudden you are thrown into this completely new world of government and politics. I tell you it's a very rude awakening. I have never been subjected to so much abuse in my life," he said.

Ongpin's brother Roberto, trade minister under former president Ferdinand Marcos, gave evidence on Monday at a senate inquiry on alleged illegal foreign exchange transactions during the Marcos years.

But Aquino's anti-corruption organisation, the Presidential Commission on Good Government (PCGG), said



there was no connection between Jaime Ongpin and any investigations.

"There is no investigation with Jimmy Ongpin. I don't want the two tied up at all," PCGG commissioner Quintin Doromal told reporters. (NO PICKUP)

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MANILA, Dec 1 - Short-term interest rates have shot up in the Philippines as the peso has come under increasing pressure and the central bank has been forced to intervene heavily to defend the local currency, bankers said.

Bankers' Association of the Philippines (BAP) figures show the central bank was a net seller of 171.8 million dollars in the foreign exchange market in November, compared with net sales totalling 170 million dollars in September and October.

It accounted for 53 pct of November's total interbank foreign exchange transactions of 325.3 million dollars.

The peso fell to 26.577 to the dollar at end-November, from 26.725 at end-October and 26.811 at end-September.

Meanwhile, the cost of banks' overnight funds, the interbank lending rate, soared to an average 19.15 pct on November 27, from 6.10 pct on November 15, central bank figures show.

The figures show foreign exchange reserves shrank to a 1987 low of 39.7 million dollars at the end of October from 73.40 million a year earlier and 78.4 million at the end of September.

"The Philippine economy is in the shadows of a balance of payments crisis," said Manuel Montes, professor of economics at the University of the Philippines.

"The central bank has been using international reserves rapidly in an effort to defend the exchange rate," Montes wrote in the Pinakadaang Pulo newspaper. "As (local) banks begin to take a position against the peso, current operations to buy foreign exchange are uncrushed, jamming up significant buying pressure. (The) capability to avert the system increased as policy action is delayed."

With the central bank moved to defend its foreign exchange reserves by curbing unofficial dollar trading between banks, raising bank deposit rates for overseas workers and pulling purchases of debt paper with foreign exchange.

A senior central bank economist said the bank was in the process of revising its 1987 targets for balance of payments, current account and saving international reserves in light of the dollar's rise and a rise in the London Interbank Offered Rate (LIBOR).

"Targets we received in consultation with the International Monetary Fund in August fell way off," the economist added.

Central Bank Governor Jose Fernandez said last month the January/September current account deficit of 219 million dollars was above the forecast deficit of 137 million.

The central bank economist said the Philippines' total foreign debt rose to 28.48 billion dollars at end-June from 24.25 billion at end-March and 26.93 billion at end-1985.

Fernandez said a meeting of financial ministers during the weekend the central bank had been ready following its policy of establishing "the peso's exchange rate on a market determined basis."

"Central bank intervention shall be limited to moderating sharp short-term movements generally fanned by speculation or by unexpected political events," Fernandez said.

Local buyers have sold an average 500,000 August 25 dollar futures against upward movement, which encouraged a widespread demand for the U.S. currency fueled by a surge in exports.

Fernandez said the principal task of monetary policy was to sustain the country's economic recovery and expansion.