

**AQUINO, SECURE IN POWER, PUTS ON BRASS KNUCKLES.**By **Chaitanya Kalbag**

554 words

28 July 1988

Reuters News

English

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MANILA, July 28, Reuter - Philippine President Corazon Aquino, secure in power near the end of a coup-free year, is trying to get tough with her problems.

"The president feels she has to use some form of brass knuckles now where she was all sweetness before," her spokesman, Teodoro Benigno, said on Wednesday.

An Asian diplomat who has followed closely Aquino's 29 months in power said she was clearly tiring of missed targets, spiralling crime and unchecked corruption.

But she has gone nearly 12 months since rebellious military or elements loyal to deposed president Ferdinand Marcos have tried to usurp her. There have been five attempted coups, the most recent in August, last year.

Aquino, leader of a nation whose dozens of evening television talk-show hosts have created a "10.30 Club" to debate among themselves, is also clearly weary of chatter.

Taking stock in a speech to Congress on Tuesday, Aquino said: "We have too often descended to mutual abuse, suspicion and recrimination in our political life... A lot has been done but it has barely scratched the surface of the problems."

During the past week, Aquino has backed her negotiators' tough line in drawing up a new agreement on the U.S. bases in the Philippines, which led to a breakdown of talks on Tuesday, and told off critics who said her nationalism rested on whether the bases were removed.

She has ordered her lawmen, often accused of lawlessness themselves, to "arrest, not abet, this slide into criminal anarchy" and warned them she would dismiss those found wanting.

She has also told her cabinet to shape up or ship out.

At an unusually brief 90-minute cabinet meeting on Wednesday, ministers were bluntly told that development projects were badly behind schedule and causing "widespread disenchantment ... erosion of government credibility (and) weakening of presidential authority".

Newspaper publisher Joaquin Roces, who led a nationwide campaign to get Aquino to run for president in 1986, told her on Tuesday that the bottom line for Filipinos was that she must be "the exact opposite" of Marcos.

"We cannot afford a government of thieves unless we can tolerate a nation of highwaymen," he said at a ceremony at which Aquino awarded him with the Legion of Honour.

A government "primer" issued this week said graft and corruption "do exist in the Philippines as anywhere also in lesser or greater degrees" but that Aquino herself, her family and her cabinet had never been accused of graft.

Political analysts noted that the Presidential Commission on Good Government, set up to hunt illegal wealth accumulated by Marcos and his associates, was being stripped of its sweeping powers to seize assets amid allegations that its officials themselves were tainted by corruption.

But Immigration Commissioner Miriam Santiago, widely praised for launching a ruthless drive to clean her department of graft, has been forced to slow down because she now has to route all decisions through the Justice Department.

Manila Chronicle columnist Amando Doronila said Aquino's speech to Congress set no bold agenda for the future and "launched us into an era of the Great Plod".

"The presidential style of leadership is cautious, even faltering at the start, and plodding ... but it has somehow moved us forward," Doronila said.





Document lba0000020011203dk7s02qsu

PHILIPPINES: NEW LOANS, TAILOR-MADE NEW LOANS.

By Chaitanya Kallang

364 words

28 July 1985

Reuters News

English

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July 28, Manila — The Philippines plans to approach the World Bank for a new money loan package to the International Monetary Fund (IMF) for a new funding program this autumn, central bank governor Fernando said on Thursday.

Fernandez said he and Finance Secretary Vicente Fox had discussed Manila's projected financing gap with a 42-hour advisory committee in New York and IMF officials in Washington earlier this month.

"There will be a (bonding) gap that will emerge starting 1989," he said, but declined to give figures.

The Philippines last received a \$25 million new money package from the World Bank in May 1985. The country's foreign debt stood at \$25.5 billion dollars at mid-July.

Fernandez said "adjustive expenditures" with the advisory committee, headed by Massachusetts Governor Michael Dukakis, might start after the IMF World Bank annual meeting in West Berlin in September.

He said Manila was planning to negotiate a restructuring of outstanding bonds of official debt.

The official debt is owed to the World Bank, the Asian Development Bank, the Inter-American Development Bank and the International Monetary Fund.

He said the Paris Club was likely to negotiate a restructuring of official debt at the meeting, adding that an IMF review mission would visit Manila in August to discuss the program.

He said he and Fox had discussed with the bank the need to restructure existing arrangements with Brazil, Chile and Venezuela. "We are not planning to expand credit," he said, "but we are planning to restructure."

The meeting are getting bigger and bigger," he said.

He said economic growth from the previous year was 10.5 percent, but that the government was planning to cut the 1986 budget by 10 percent.

He said Manila was planning to approach the World Bank for a new money loan package to the IMF for a new funding program this autumn, central bank governor Fernando said on Thursday.

"The government would be happy to see the IMF mission visit Manila in August to discuss the program," he said, "and do our best," he said.

Document lba0000020011203dk7s02qsu