

AQUINO LASHES OUT AT CREDITORS, VOWS TO FIGHT ENEMIES.By **Chaitanya Kalbag**, Reuters

482 words

27 July 1987

Reuters News

English

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MANILA, July 27, Reuter - President Corazon Aquino lashed out at the Philippines' creditor banks today, charging they coerced her government into signing an unfavourable debt pact, and vowed to fight enemies of both the right and the left.

In a State of the Nation speech, one of the strongest she has made since taking power 17 months ago, Aquino told the country's new Congress that an accord signed with the banks in New York was the result of "none too subtle coercion".

"We cannot help but feel that our foreign creditors took undue and unfair advantage of the internal difficulties we have had with factions intent on subverting this government and destroying our democracy," she said to repeated applause.

Earlier today, both houses of Congress convened in solemn ceremonies marking the end of 15 years of arbitrary rule.

The directly-elected legislature was abolished by former President Ferdinand Marcos when he imposed martial law in 1972. Its opening fulfilled Aquino's pledge to restore constitutional democracy in Asia's only Christian nation.

Thousands of protesters ranging from the far right to the militant left staged protests near the legislative complex as Aquino spoke, but tight security, enforced by rows of riot police and military helicopters, held them at bay.

The military earlier said Marcos loyalists had planned to disrupt the opening of Congress with mass demonstrations.

"There were bomb threats from ultra-rightist groups," Manila military commander General Alexander Aguirre told Reuters. "That is why we had so many security patrols."

Aquino told Congress the sweeping powers of decree she had herself enjoyed were now passing to the legislature, adding: "I have felt no loss but rather a great sense of achievement."

"All the assaults on our government have fallen flat and harmless because the people believe in our government, in its honesty and sincere desire to work for the common good."

Turning to national security, she said the Philippines was threatened by "totalitarian slavery on the left and reversion to fascist terror and corruption on the right."

Her most bitter words were reserved for Manila's creditors as she reminded her audience of about 200 congressmen, parliamentarians from the United States and Europe, and government leaders that the Philippines' total foreign debt stood in excess of 28 billion dollars.

"We do not bow our heads in shame, for the shame is not ours," she said.

"Yet, even as necessity has forced our hand to agreement, we vow never to let the patrimony of this nation lie at the feet of these noble houses that have finally shown the true face of foreign finance."

She was referring to an agreement reached earlier this month by the Philippines and more than 400 creditor banks on rescheduling 13.2 billion dollars of the country's 28 billion dollar foreign debt.

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