

MANILA SHAKE-UP WILL RESTORE INVESTOR CONFIDENCE MINISTER.By **Chaitanya Kalbag**

504 words

18 September 1987

Reuters News

English

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MANILA, Sept 18, Reuter - President Corazon Aquino's shake-up of top posts in her government will restore waning investor confidence in the Philippines, Trade and Industry Secretary Jose Concepcion said on Friday.

"The new team will be a rallying force. It will bring investments in," Concepcion told a breakfast forum, but added that there was no guarantee that troops would not stage future revolts.

The cabinet changes were demanded by leaders of the failed August 28 coup attempt, the fifth and most serious Aquino has faced in the 18 months since she ousted president Ferdinand Marcos.

Concepcion said the new Philippine cabinet would "not have so many stars but it will be a fighting team".

"A consensus has been made to get our act together, to get the private sector to join with the government," he said.

On Wednesday, Aquino accepted the resignation of Vice-President Salvador Laurel from the foreign minister's post. She has also dropped Finance Secretary Jaime Ongpin and two of her closest advisers, Executive Secretary Joker Arroyo and Presidential Legal Counsel Teodoro Locsin.

Aquino has also moved, since the revolt to repair relations with the military, urging civilians to forge closer ties with soldiers and pressing Congress to approve substantial rises for the poorly paid 150,000-strong armed forces.

"But the military is seen as Marcos's soldiers," Concepcion said. "There are wrong vibes. The military has some suspicion of civilians." He added that the failed revolt and the cabinet changes had re-affirmed civilian supremacy over the military.

However, Concepcion added, "There can never be a guarantee that there will be no more coup attempts."

Asked to answer criticism that Aquino's government had no clear policies backing its ambitious economic targets, Concepcion noted that gross national product had grown in the first half of 1987 by 5.1 per cent, compared with a 0.8 per cent decline a year earlier.

He said industry led the revival with a first-half growth of 8.3 per cent, compared with a 7.4 per cent decline a year earlier.

"It's a miracle that we still survive with all these problems and show a growth rate," he said, referring to the coup attempts, labour unrest and cabinet squabbles.

Asked for his comment on growing moves in Congress for radical action on the country's 28.4 billion dollar foreign debt, including proposals for a repayment ceiling of 10 per cent of export receipts and a three-year moratorium, Concepcion noted that Aquino had pledged to honour all debt "but not at the sacrifice of national interest".

He said government negotiators could possibly appeal to foreign banks to grant easier terms on, or condone part of, loans proven to be illegally obtained during Marcos's rule.

Concepcion said some foreign companies that had planned to invest in the Philippines were now reviewing their decisions.

"But others who had already finalised investments are going ahead," he added.

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