

MANILA COUP BID SEEN DAMAGING BUSINESS CONFIDENCE.By **Chaitanya Kalbag**, Reuters

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MANILA, Aug 28 - The Philippines' latest coup attempt, the most violent in President Corazon Aquino's 18 months in office, will severely affect business confidence and create renewed uncertainty for investors, analysts said.

Finance Secretary Jaime Ongpin, asked for his reaction to the takeover of parts of three major military camps by hundreds of rebel soldiers, sounded terse and worried.

"I am not fully informed of what's happened," he told Reuters by telephone. "I would rather not comment. It's too soon to tell."

Bankers and stockbrokers, who said they were closely monitoring radio reports on the uprising, noted it was the most serious threat to the government since former President Ferdinand Marcos was toppled by a civilian-backed military revolt.

"This is worse than what happened in January," a senior foreign banker said, referring to the takeover of a television station and attempts to seize military camps by about 300 renegade soldiers.

"The radio is saying the Air Force chief has been isolated at Villamor Air Base," the banker said.

"Things are deteriorating rapidly," the banker said, noting that Armed Forces Chief General Fidel Ramos had been forced to move to another camp after Camp Aguinaldo, his headquarters, was attacked by rebel troops led by Colonel Gregorio "Gringo" Honasan.

"I think any sensible investor will now sit back and see what is going to happen," the banker said.

He said the coup had come on top of accelerating labour unrest and a threat by Congress to repudiate part of the country's 28.4 billion dollar foreign debt. "Obviously, Cory (Aquino) is not fully in control," he added.

Robert Coyiuto, president of the Manila Stock Exchange, told Reuters the markets were closed today to allow brokers to catch up with a backlog of paperwork caused by a recent bull market.

"Luckily, there's no trading today," he said. "We hope everything will be settled by Sunday. Otherwise the market will take a terrible beating."

"Most businessmen feel the military leadership has shown immense weakness," Coyiuto said, adding that Ramos should have cracked down on Honasan and his men last November when they were reported to be plotting a coup.

"What is one to think when the young colonels call themselves 'the sun' and tell people the generals are falling stars?" Coyiuto said.

Nevertheless, he said he was optimistic. "Such coup attempts are common in Thailand," he said. "We're still new in this ball game. We'll see how things go."

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