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Reagan's 'Asian Shah'

Marcos' Decline Is U.S. Dilemma

By DOYLE McMANUS, *Times Staff Writer*

WASHINGTON—Echoes of America's last great foreign policy debacle are haunting the Reagan Administration this fall.

The elements are all too familiar: A pro-American authoritarian of a strategically vital country dying of an officially secret disease, with no successor in place. His regime, weakened by corruption, is threatened by a spreading insurgency. And the United States, despite enormous political and military stakes, remains uncertain how to bring about the basic changes it wants—and whether to push a longtime ally out of office.

For Jimmy Carter, the disaster came in Iran. For Ronald Reagan, the challenge has appeared in the Philippines—with a key difference.

"This time," says a State Department official, "we can see it coming. We know we have to act."

According to Congressional sources, the consensus in the U.S. intelligence community is that the Philippines' ailing 68-year-old President Ferdinand E. Marcos has only a 50% chance of living another 18 months.

Into Deepening Crisis

Worse, Marcos' authoritarian rule has led his Pacific island nation of 57 million into a deepening crisis of political immobility, economic deterioration and—in the face of a growing Communist rebellion—military ineffectiveness.

"On the present course the country is going, we will see a Communist victory that will damage our interests and the interests of the people of the Philippines," Assistant Secretary of State Paul D. Wolfowitz warned last week.

The stakes for the United States are unusually clear. The Philippines is host to the most important American military bases in Asia—and the largest anywhere abroad. The country is a key U.S. ally in the Pacific, a former American colony once held up as a model of Third World democracy.

"To my mind, a worst-case scenario in the Philippines would be even worse than Iran," said William Sullivan, who has served as U.S. ambassador to both countries. "The outside power interests are such that the Soviet Union or Vietnam could get directly involved—and that would create a danger that we would get involved."

For President Reagan, the dilemma is particularly ticklish. Reagan criticized Carter in 1980 for failing to support Shah Mohammed Reza Pahlavi of Iran, and he insisted during his 1984 campaign that he would stand by Marcos because the alternative was "totalitarianism pure and simple." However, State Department, Pentagon and CIA officials are unanimous in arguing that Marcos must change quickly or his regime will disintegrate.

In response, Reagan has sent an extraordinary series of high-level

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emissaries, including CIA Director William J. Casey and Sen. Paul Laxalt (R-Nev.), to try to persuade Marcos to institute reforms and conduct honest elections for a new legislature in 1986, followed by a presidential vote in 1987.

Thus far, their missions have produced little clear success. "It's an open question" whether Marcos understands the depth of U.S. concern, said Laxalt, a Reagan confidant whose mission was to convince the Philippine leader that the President himself shares the concern of his State Department specialists.

Administration critics—and, in private, some of its officials—argue that Marcos himself is the problem and say that no real progress is likely as long as the aging autocrat remains in place. "I am hopeful Marcos will step aside," Senate Intelligence Committee Chairman David Durenberger (R-Minn.) said after the panel's staff reported that the regime appears incapable of reform.

Laxalt and Administration officials say they believe there is still hope for a solution with Marcos in place.

"It's a matter of continually applying reasonable pressure without being intrusive. . . while being supportive of the Marcos regime," Laxalt said. "The signs are that he has been sensitized. . . . We're in a position now of hoping for the best."

So far, Reagan's pressure has been conveyed largely in private. Last week, however, the Administration sought to bolster those messages by going public with its complaints.

'Time of the Essence'

"Without vigorous reform, a Communist triumph appears likely," Asst. Secretary of Defense Richard L. Armitage told the Senate Foreign Relations Committee.

"Time is of the essence, and time is not being used very well," Wolfowitz said.

Officials had been making the same points for months. After Laxalt's initially quiet visit to Manila and under growing pressure from Congress, though, the Administration decided that its pressure on Marcos needed both more intensity and volume.

The Administration wants Marcos to announce a clearer timetable for the elections and to lift restrictions on opposition parties. It also wants him to revoke monopolies and other economic privileges he has given his own associates in a

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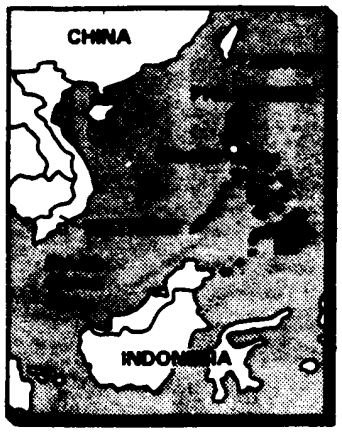
system that has become known as "crony capitalism," and to remove incompetent and corrupt officers from his armed forces, including, officials say, Gen. Fabian Ver, the chief of staff now on trial for allegedly participating in the 1984 assassination of opposition leader Benigno Aquino.

Marcos has resisted all such suggestions so far. In an interview with the New York Times last week, the Philippine president said that he plans to reinstate Ver, insisted that his army will "wipe out" the rebels within a year and said there is an important difference between his own rule and the late shah's. "All the reforms that we conducted were approved by the people," he said.

"He's obviously not going to do it just because he wakes up one day and says, 'Oh my, this is what's got to be done,'" Wolfowitz said. "The reforms that we have talked about are not coming willingly. But I think there is a great deal of pressure on Marcos to permit some of these things to take place."



Los Angeles Times

• Part of that pressure, Wolfowitz said, was a U.S. decision to support a delay in disbursement of $113 million in International Monetary Fund loans unless economic reforms take place. Other sources said that the Administration is studying ways of increasing the credit squeeze further, possibly organizing an agreement with private banks to tie all loans to progress on reforms.

On the military side, U.S. officials are privately encouraging middle-level Filipino officers to press for reform. A series of reports from the Pentagon, the CIA and Congress has warned—in increasingly grim terms—that without a change in direction, the Communist New People's Army will continue expanding its guerrilla campaigns, producing what Wolfowitz called "a massive civil war."

Politically, officials said, the Administration is considering proposals for increased U.S. aid to the Philippines—but such aid would be tied explicitly to the progress of democratic reforms.

The obvious alternative—cutting U.S. aid until the situation improves—has been debated by Congress. The United States pays $180 million in aid as part of its five-year agreement for the use of Clark Air Base and Subic Bay Naval Base.

That, however, Wolfowitz warns, could "make the situation even worse."

"Our assistance to the Philippines . . . is not spectacularly large," he said. "The leverage we can expect to get for that assistance is not spectacularly large. It's not the most important thing to Marcos. We ought to think about ways of indicating that, with reforms, . . . there could be a lot more."

Despite its bleak assessment, Wolfowitz said the Administration still believes Marcos can remedy the situation—if he acts fast.

"I think right now that the situation is one that would respond rather rapidly to a dramatic program," he said.

Others dispute whether any real solution is possible as long as Marcos remains in power. However, even some of Marcos' critics concede a practical problem to his departure: Since the murder of Aquino, the non-Communist opposition has produced no leader of presidential stature.

Even with an honest election, Wolfowitz said, Marcos—who has pledged to run in 1987—could still win.

"It is important to be cautious about predicting what the results of an election might be," he said. "You could have . . . a legitimizing election" that would actually strengthen Marcos' rule.

And there remains the wild card of Marcos' health. Congressional sources with access to U.S. intelligence reports say Marcos suffers from systemic lupus erythematosus, a disease that attacks several organs of the body, most often the kidneys. The Philippine president is reported to have had two kidney transplants, the second performed after his body rejected the first—a risky operation rarely attempted on a man of his age.

Denies All

Marcos, who has been photographed exercising and apparently even jogging in public recently, denies all reports of illness.

"I am not sick with any serious ailments," he told the New York Times. ". . . If you'd seen me going to the comfort room, people with kidney trouble don't do that."

However, he has disappeared from sight for months, and when he has reappeared it has sometimes been with swollen hands and halting steps characteristic of the debilitating lupus.

"The shah's illness was never as much a factor in Iran as Marcos' problem appears to be," Sullivan said. "Marcos could physically collapse in a matter of hours, or he could survive in some shape through the whole thing.

"The important thing is to get a program of reforms under way," he said. "Then, if he dropped dead, it wouldn't matter, because you'd have something going. Otherwise, you could end up with chaos."

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