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Folder Title:
Address to Joint Session of Congress 9/11/90 [OA 8315]

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come alongside - find out what they are doing - kinda like being traffic cop

yellow ribbon around husband - quadriplegic auto accident

THE WHITE HOUSE

WASHINGTON

they have — tents, med supplies cash

Dear Mr. and Mrs. Merritt:

Many thanks for your thoughtful message. I appreciate your sharing with me the letter you received from your son, Wade.

Like you, I am very proud of your son and all those courageous American service men and women who are defending the cause of freedom and justice in Saudi Arabia and the Persian Gulf. Their sense of duty and patriotism is outstanding, and I want them to know that the American people are behind them 100 percent.

It is truly heartening to see such widespread support for efforts to enforce sanctions aimed at convincing Iraq to withdraw its forces from Kuwait and to restore that country's independence. I am also encouraged by the number of other countries, including Arab nations, that have joined this international defense effort.

I want you to have Wade's beautiful letter, so I am returning it to you. Warm best wishes to you and your family, and may God bless you.

Sincerely,

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124th M.I. Batallion 24th Infantry Div. Ft. Stewart GA

26

615-675-5364

Mr. and Mrs. K. E. Merritt
11921 Medhurst Drive
Knoxville, Tennessee 37922

library
615/544-5747 ~~5700~~

M. Reeby
615 966-7396

Richard Plant
615-966-5679

Aug. 18

t,
osing a letter
e Received
from our son.
We hope that you will
take a little time to read it
We are very proud of
our son & the love he
shows for our Country
& his respect for God.

Thank You.
Mr & Mrs. E. G.
Merritt

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ARMY AND ITS
THE INTREST

OF IT AND ITS ALLIES.

THINGS HAVE BEEN TOUGH HERE AND I KNOW THAT
YOU ARE CONCERNED. ITS STUPID BUT ALL I CAN AS-

DEAR MOM, DAD

HOW ARE THINGS GOING BACK HOME? I GUESS YOU KNOW WHATS BEEN HAPPENING HERE. IT HAPPENED AT A BAD TIME, I WAS REALLY EXCITED ABOUT COMING HOME. I CAN'T TELL YOU WHERE IM AT OR WILL I'LL BE. YOU SHOULD KNOW BY WATCHING THE NEWS. ALL I CAN SAY IS THAT IT'S GOING TO BE A LONG AND DIFFICULT TIME FOR ALL OF US.

AS MUCH AS I LOVE MY JOB, I DON'T BELIEVE IN WAR OR THE UNNECESSARY ACTS OF VIOLENCE AGAINST FELLOW HUMAN BEINGS, BUT IT IS MY JOB. WHEN I MADE A DECISION TO MAKE THE ARMY MY CAREER I KNEW THAT THIS DAY WOULD COME BUT I WAS HOPING IT WOULDN'T.

AS AMERICANS WE OFTEN TAKE OUR FREEDOM FOR GRANTED. NOW THE FREEDOM OF PEACEFULL NATIONS ARE BEING JEOPARDIZED AND IT IS THE JUST DUTY OF MYSELF AND MY FELLOW MEN TO RESTORE FREEDOM AND RIGHTS TO OUR FELLOW MEN. I AM PROUD OF MY COUNTRY AND IT'S FIRM STAND AGAINST INHUMANE AGGRESSION. I AM PROUD OF MY ARMY AND IT'S MEN. I AM PROUD TO SERVE MY COUNTRY AND THE INTREST OF IT AND ITS ALLIES.

THINGS HAVE BEEN TOUGH HERE AND I KNOW THAT YOU ARE CONCERNED. ITS STUPID, BUT ALL I CAN ASK FROM YOU IS NOT TO WORRY ABOUT ME. IF ITS THE LAST THING I'LL DO, I WILL SEE A TENNESSEE GAME THIS FALL!

WE HAVE WORKING VERY HARD, SO HARD INFACT THE EVENTS OCCURING HARDLY PASS IN THOUGHT. IM SO TIRED AT THE END, I JUST SLEEP AND FORGET. I GUESS I DON'T TRY TO THINK ABOUT IT BECAUSE IT SCARES ME. IT FRIEGHTENS ALL OF US.

IF THERE IS ONE THING THAT I THINK ABOUT EVERY MINUTE, IT'S YOU. WE CHILDREN TOO TAKE OUR PARENTS AND FAMILY FOR GRANTED. WE ARE ALWAYS IN A HURRY TO LIVE AND LEED OUR OWN LIVES THAT WE FORGET TO THINK ABOUT IF WE'LL EVER SEE THEM AGAIN. BUT I WILL SEE YOU AGAIN AND IT WILL BE A MOST JOYUS OCCASSION.

AS I CLOSE THIS LETTER I ASK YOU NOT TO THINK OF JUST ME BUT THE IMPORTANT SACRIFICES THAT YOUR OTHER CHILDREN MAKE EVERYDAY. I ASK YOU TO THINK ABOUT AND PRAY FOR THE SAFETY AND WELL BEING OF ALL OUR MEN AND WOMEN IN OUR ARMED FORCES AND THE OTHER PEACEFUL AND FRIENDLY NATIONS. WISH AND PRAY FOR A PEACEFUL AND SPEEDY SOLUTION TO THIS WHOLE AFFAIR, AND MAY OUR ADVESARIES THINK IN THIS WAY TOO. HAVE FAITH IN OUR PRESIDENT AND HIS DECISIOUS.

I WILL WRITE YOU AGAIN AT THE NEXT AVAILABLE TIME. I DO NOT KNOW HOW YOU CAN CONTACT ME. I HAVE NOT

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INSIDE THE BELTWAY

Red menace

Democrats just might start fussing about how you can't trust those commies when news of the latest coup by the National Republican Senatorial Committee gets around. The NRSC has invited Soviet Ambassador Alexander Bessmertnykh and three other diplomats to address a fund-raising event for the Inner Circle, a group of $1,000-and-up GOP contributors.

Also on the list are Ambassador Gerhard Herder of the German Democratic Republic, Ambassador Jan Kinast of Poland and Ivan Maximov, the Bulgarian charge d'affaires.

The Inner Circle's next get-together in Washington will feature special briefings by political and diplomatic celebrities, cozy dinners with Cabinet officials and senators, and a reception at Vice President Dan Quayle's home.

Zip a Dee Doo Dah

The new UPI Washington bureau manager, Berl Schwartz, decided to put a little zip into a story filed by a UPI reporter about furloughing federal employees. So he took out all the extra stuff. Like just about everything the reporter filed except for some quotes from Democratic Caucus Chairman Steny Hoyer.

But the story still didn't have quite the zip Mr. Schwartz was seeking. So he gutted the story down to nothing but quotes and put a byline on it — "By Steny Hoyer, Written for UPI."

Much zippier, the story went out on the wire.

Well, just two hours later the wire service sent a correction zipping along behind the "Hoyer" story. It said the piece "was not written expressly for UPI" by the Maryland Democrat and was actually testimony he'd given before a House subcommittee. But it had zip.

Zip a Dee Doo Dah II

A spokesman for Jerry Cosentino, Democratic candidate for secretary of state in Illinois, has apologized for saying of Mr. Cosentino's opponent that "When were done here, héll look like a tar baby." The spokesman said his comment was "based on a Greek fable authored centuries ago by Aesop." Just what fable? Another aide said it was "Uncle Remus."

One function of the secretary of state in Illinois, by the way, is serving as the state librarian.

It was Lauro Cavazos' turn to stay secluded from Capitol calamity.

Where was Lauro?

Education Secretary Lauro Cavazos didn't attend President Bush's speech to a joint session of Congress. It seems there's a policy of holding back one Cabinet member when top officials gather in the House chamber for a presidential address. The idea is keep the government from entire collapse in the event of an attack on the Capitol.

Mr. Cavazos' location was kept secret for security reasons.

Bring on the 'gator

Dominique D'Ermo is a legendary Washington restaurateur who drew a nightly crowd to his Pennsylvania Avenue establishment with advertised specials such as alligator tail and rattlesnake and who, as Mark Russell put it, would strangle Bambi at your table if he thought it would sell. There was quite a sense of loss among the food and fun set when it appeared Dominique was headed into retirement. Well, forget the retirement rumor. Mr. D'Ermo and his longtime business associate, Diana Damewood, have purchased controlling interest in Ecco Cafe, a small, upbeat Italian restaurant in the Old Town section of Alexandria. But apparently they're not planning to exotify the menu and will keep standard menu items such as the pizza-making contest. Ecco's founder, Mark Caraluzzi, will stay on as a consultant.

Royal connection

Najeeb Halaby weighed in yesterday in The Washington Post with a Mideast commentary titled "A Few Suggestions for the Commander in Chief." Mr. Halaby was identified as a former assistant secretary of defense who served under two U.S. presidents. He's a lot more than that — test pilot, lawyer, financier, corporate executive and probably best known to the public for his service as head of the Federal Aviation Administration. But it also seems pertinent to mention that Mr. Halaby, a Syrian immigrant, is the father of Lisa Halaby, known now as Queen Noor, wife of Jordan's King Hussein.

Via satellite

Pres. Jose Eduardo dos Santos of Angola will appear in room 2168 of the Rayburn House Office Building today at 10 a.m., courtesy of the wonders of modern technology. He just canceled his second proposed visit to Washington, so the satellite imagery seems about as good as it's going to get for those who would like to ask the Marxist leader a few questions. Some members of Congress who support Joseph Savimbi's UNITA efforts wonder why the Angolan government has walked away from cease-fire talks and refuses to recognize UNITA as a political entity.

Round two

Is the Ku Klux Klan coming back for another attempt at rallying on Capitol Hill? Some KKK followers showed up the other weekend and prompted a bit of a dust-up. A crowd gathered to greet the Klan, and U.S. Capitol Police had to restrain a few more aggressive citizens. Dan Nichols, spokesman for the Capitol police, said they'd heard rumors that the Klan plans a return visit. But "nothing official," he said.

Honey, it's Hosni

Barbara Bush said her husband made thousands of calls between 5 and 6 a.m. over the summer, most of them from bed. She told "Good Morning America" that during one such conversation Mr. Bush told the person at the other end of the phone, "I have someone here who wants to talk to you right now, Hosni [Mubarak]." And, said Mrs. Bush, "he passed the phone over to me and there we were were in bed with all the [grand]children and the dogs, talking to the President of Egypt. I mean, he's a very informal man, my George."

—John Elvin

Diabetes discovery excites researchers

NEW YORK (AP) — Scientists have identified an enzyme linked to the most serious form of diabetes, a step that may help in finding people at risk for the disease and developing therapies to prevent it.

The pancreas enzyme is a target of a misguided attack by the body's disease-fighting immune system. Its identification solves a puzzle that lasted for years.

"This really is exciting stuff. . . . I think clearly it will be one of the major papers in diabetes in the last several years," said Kenneth Farber, director of research at the Juvenile Diabetes Foundation International.

His organization helped fund the research.

The study dealt with insulin-dependent diabetes, which affects about 1 million Americans. They must take daily insulin injections to survive.

Symptoms appear after the immune system has destroyed most of the insulin-producing beta cells of the pancreas.

Scientists do not know what triggers that onslaught. But they have found that the immune system begins attacking several specific targets long before the disease is diagnosed.

The new study identifies one of those targets as the beta cell enzyme called glutamic acid decarboxylase. The substance is also found in brain cells, where it helps make a chemical messenger cells use to communicate, said Steinunn Baekkeskov.

Its role in beta cells is not clearly understood, said Miss Baekkeskov, assistant professor of microbiology, immunology and medicine at the Hormone Research Institute of the University of California, San Francisco, School of Medicine.

She did the work with colleagues at the institute and scientists at the Yale University School of Medicine and in Denmark. They report the results in today's issue of the British journal Nature.

The discovery should aid research into the substance by leading to much more abundant supplies of it, either from brain tissue or from genetic engineering, she said.

Further research on the enzyme may lead to therapies that prevent diabetes by stopping the harmful immune system attack without suppressing the immune system generally, she said.

But that potential depends on whether the attack on the enzyme plays any role in causing the disease.

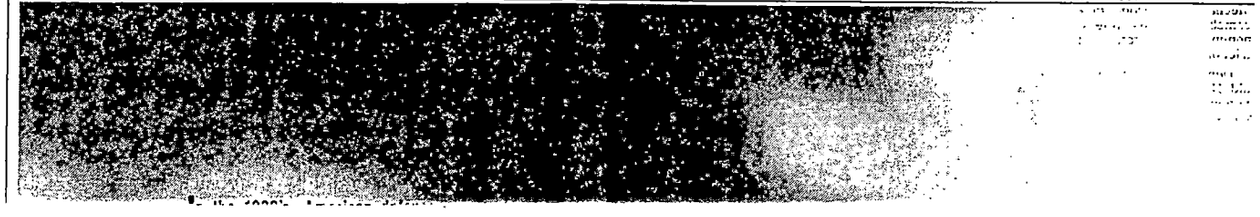
Other future research can follow up indications that a blood test based on the enzyme can help identify people on the way to developing diabetes, she said.

The test looks for proteins of the attacking immune system, called antibodies, that are specifically aimed at the enzyme. The antibodies appear in 80 percent of newly diagnosed diabetics, and they have been detected up to several years before symptoms of the disease appear, researchers said.

Antibodies to other targets appear before the diagnosis, too. But antibodies against the enzyme may be the best predictor of later diabetes, said Mark Atkinson, assistant professor of pathology at the University of Florida College of Medicine in Gainesville.

Currently there is no proven way to prevent the disease in people who show diabetes-related antibodies. Given the anxiety caused by a positive test result, Miss Baekkeskov said, early prediction probably will not be a significant benefit until a prevention method is found.

Cameras in courts slated for experiment



The Washington Times

Kuwait's prized ice rink serving as Iraqi morgue

By Andrew Borowiec
THE WASHINGTON TIMES

BAGHDAD, Iraq — Scores of American men are hiding with Arab friends in Iraqi-occupied Kuwait City, where shots ring out at night and the city's ice skating rink has been turned into a morgue, evacuees from Kuwait said during a stopover here yesterday.

The evacuees, mostly women and children with U.S. passports, were airlifted from the occupied Kuwaiti capitol, through Baghdad and on to London aboard an Iraqi Airways flight chartered jointly by American and British officials.

Small children took up nearly 50 percent of the 330-seat U.S. allotment on the Boeing 747, the largest single group yet allowed out of Iraq and Kuwait. There were also 100 British women and children and a small group of Canadians on the flight from the Persian Gulf emirate overrun by Iraq on Aug. 2.

One woman with a small child described her ordeal at the U.S. Embassy compound in Kuwait, which has been surrounded by Iraqi troops and cut off from water and electricity since Aug. 24.

"The only water we had left was in the swimming pool," said the woman, who declined to give her name. "We ate canned food. Heat was the worst problem." She said there were 29 persons in the compound when she left yesterday.

Within several days after the Iraqi invasion, she said, many American men had found shelter with Kuwaitis in the city. Clashes between the Kuwaiti resistance and Iraqi troops have intensified in the past few days and "some nights the shooting goes on for hours."

She and other evacuees said Kuwait's pride, its ice skating rink, was now a morgue where Iraqi troops dump corpses.

Vivake Rahu, an Indian engineer whose daughter holds a U.S. passport, said the sewer system was no longer functioning in some areas of the city. But as for food, she said, "If you have money, you can get it."

Maher Bassal, a Lebanese whose wife is American, told reporters at Baghdad airport that "many people are worried about chemical warfare than about the situation in Kuwait." Arab men married to American women accounted for about 20 percent of those on the flight.

Other evacuees said they had suffered no special hardships in Kuwait apart from food shortages and the necessity of producing identity cards at grocery stores.

East European diplomatic sources said the extent of resistance was revealed by the fact that Iraqi troops refuse to enter certain areas of the city. House-to-house searches go on every day and night in other areas, according to the sources.

U.S. officials here said they have gained consular access to Miles Hoffman of Cols, Ga., who was shot in the forearm as Iraqi troops entered his apartment in Kuwait. Mr. Hoffman is now in Iraqi custody in Baghdad, where he receives medical treatment but is not hospitalized.

Yesterday's evacuation from Kuwait was the biggest single effort to remove American and British women and children from Kuwait. Another flight is scheduled tomorrow.

However, there are still an estimated 500,000 Third World nationals in Kuwait and in Baghdad's tent cities, most of them left to their own devices without food or departure plans.

"There are half a million potential victims, most of them Muslems," a U.S. diplomat said. He called the situation "a tragedy created by the Iraqi government, a cynical attempt to split the international community."

Yesterday's departure from Kuwait was surprisingly orderly. Alerted by the Voice of America and by the U.S. Embassy wherever possible, people who qualified for the flight assembled at several points in Kuwait City and were taken by bus to the airport. They were fed only dry biscuits aboard the Iraqi plane.

Iraqi television continued its propaganda barrage, showing pre-invasion pictures of Kuwait City with its clean streets, modern housing projects and well-stocked shops.

One shot showed people lining up at the Bank of Kuwait to exchange Kuwaiti currency into Iraqi dinars.

In the same program, a German held as a "living shield" said he had staged an eight-day hunger strike to protest the international embargo "against Iraqi women and children."

Reuters

Maaher Bassac (right), a Lebanese electrical engineer, wife Tonja and infant son were pleased to be leaving Baghdad aboard a chartered Iraqi Airways flight originating in Kuwait and terminating eventually in London.

Iraqi weapons targeted

By Frank J. Murray
THE WASHINGTON TIMES

Attempts to neutralize Iraq's nuclear and chemical threats will be included in a U.S.-Soviet security plan for the Persian Gulf being negotiated in Moscow, White House Press Secretary Marlin Fitzwater said yesterday.

"We will always be concerned about biological and chemical proliferation and about the use and production of them in Iraq," Mr. Fitzwater told reporters who asked about President Bush's references to those and other weapons of mass destruction in his speech to Congress Tuesday night.

Mr. Bush also taped a "personal" eight-minute message to the Iraqi people that will be delivered this morning to Iraqi Ambassador Mohamad al-Mashat by Deputy Secretary of State Lawrence Eagleburger for broadcast on Iraqi television.

"We will ask them to provide us an air time within the next five days," Mr. Fitzwater said. "If after the five-day period the tape is not aired, then we will go ahead and make it available to the world's news media."

Secretary of State James A. Baker III was in Moscow yesterday with Soviet Foreign Minister Eduard Shevardnadze, in part to discuss a security plan for the Persian Gulf region. U.S.-Soviet cooperation has been highlighted by Mr. Bush as a keystone to a solution of the Gulf crisis.

When asked why Mr. Bush talked of curbing nuclear, chemical and biological weapons in the region, Mr. Fitzwater said, "That is the problem that the president outlined, and that's why Secretary Baker is talking to Foreign Minister Shevardnadze about security arrangements in the Gulf and about our long-term interests and so forth."

Mr. Fitzwater said, "He was laying out those objectives in terms of the future relationship and future security arrangements in the region."

Only Iraq and Israel are believed to have nuclear capabilities in the region. There has been no suggestion in the context of any attempt to curb Israel's capabilities.

White House and State Department spokesmen expressed confidence that Saddam Hussein's government actually would broadcast President Bush's message in its original, uncdited words, which contains a translation in Arabic and Arabic subtitles to make it as tamper-proof as possible.

An assistant to Mr. al-Mashat at the Iraqi Embassy brushed aside news reports from Iraq that Baghdad wanted only an interview, saying the time was offered and would be given.

State Department spokesman Richard Boucher said Mr. Eagleburger will meet with Mr. al-Mashat this morning at the State Department.

The privately produced tape was supervised by Bush image-maker Sig Rogich, Mr. Fitzwater said. "It doesn't attack Saddam."

Mr. Fitzwater said it is a condensed version of Mr. Bush's Tuesday night speech, which did attack the Iraqi president, and said the United States seeks a peaceful conclusion to the crisis, has "no quarrel with the Iraqi people," and that incredible hardships were brought on Iraqis by that country's aggression against Kuwait.

"The president took this message very seriously," Mr. Fitzwater said.

Reuters

Syria's women paratroopers

Women paratroopers march during military graduation ceremonies attended by Syrian President Hafez Assad in Damascus. Secretary of State James A. Baker III will visit Syria this week.

Seeing is believing for family of soldier

KNOXVILLE, Tenn. (AP) — When the call came from the White House, the Merritt family thought they were being taken for a ride.

The caller said President Bush, in his nationally broadcast address to Congress Tuesday night, wanted to single out Army Pfc. Wade Merritt of Knoxville. The soldier had written to his parents of his pride in serving in Saudi Arabia, but also wrote, "I don't believe in war ...."

"We thought it was a hoax, you know," said Pfc. Merritt's sister Kim Inkleberger. "We're big jokers. It really didn't get real until President Bush said it. Once he actually said it, it was very incredibly real."

Mr. Bush ended the family's suspense when he read an excerpt of a 2½-page letter Pfc. Merritt wrote several weeks ago from Saudi Arabia to his parents, Ann and Kenneth Merritt. Mrs. Merritt, described by her daughter as "extremely patriotic," sent the White House a copy of the letter.

Pfc. Merritt told ABC's "Good Morning America" yesterday that some of his mother's friends encouraged her to send his letter to the president. "I was very shocked," he added.

"I am proud of my country and its firm stance against inhumane aggression," the 22-year-old soldier wrote. "I am proud of my Army and its men ... I am proud to serve my country.

"When I made a decision to make the Army my career, I knew that this day would come, but I was hoping it wouldn't."

In his speech, Mr. Bush vowed that Iraq would not prevail in its Aug. 2 takeover of Kuwait, and said, "Let me just say, Wade, America is proud of you. And grateful to every soldier, sailor, Marine and airman serving the cause of peace in the Persian Gulf."

Family members videotaped the speech.

Pfc. Merritt serves in the 124th Military Intelligence Battalion based at Fort Stewart, Ga.

After sending the letter to the White House, Mrs. Merritt got a response Sept. 4.

"It's a beautiful letter," she said. "The president was very proud."

Iraqis deploying special missile launching system

By Bill Gertz
THE WASHINGTON TIMES

Iraqi military forces have deployed a new mobile launcher system that expands the reach of ballistic missiles carrying chemical or high-explosive warheads, according to U.S. intelligence officials.

The launchers were discovered within the past two weeks by a U.S. spy satellite. They were described as special missile-launchers mounted atop a flatbed tractor-trailer truck, said intelligence officials who spoke on condition of anonymity.

"The new launchers give the Iraqis the capability to turn any tractor-trailer truck into a missile-launcher," said one official.

The existence of the mobile missile-launcher is viewed by some administration policymakers as a sign that Iraq is continuing to develop more effective ballistic missile systems, including some with a range of up to 600 miles.

The launcher is believed by the intelligence agencies to be capable of firing the three types of ballistic missiles in Iraq's arsenal: the Soviet-made Scud-B surface-to-surface missile, and two home-made and longer-range versions of the Scud-B, known as the Al-Hussein and the Al-Abbas.

The Scud-B has a range of about 250 miles and the modified Scuds are estimated to have the capability of hitting targets between 400 and 600 miles away with chemical or high-explosive warheads.

With the new mobile launcher, missiles can be driven to locations closer to Iraq's borders before they are launched, the officials said.

Meanwhile, several hundred Iraqi soldiers, including a captain and possibly a brigadier general, have defected from Kuwait to Saudi Arabia since the Iraqi invasion, the officials said.

The defectors, mostly disgruntled enlisted personnel who were not part of the elite Republican Guards divisions in the Kuwaiti area, have been providing some valuable information on Iraqi troop and weapons deployments in Kuwait, the officials said.

Information provided by the defectors includes details on chemical weapons deployed in Kuwait.

One military official said a high-ranking defector, possibly a one-star general, revealed that Iraq's 265,000 troops in and around Kuwait have about 250 chemical warheads for artillery, rockets and surface-to-surface missiles.

The high-ranking defector also said that Chinese-made versions of the Soviet Badger bomber are deployed with the Iraqi air force in Kuwait. The bombers have been outfitted with French-made Exocet anti-ship missiles.

"These could pose a serious threat to shipping, both naval warships and other vessels," said the military official.

Estimates of the number of defectors range from about 200 to about 500. That is not regarded as unusually high because of the large number of Iraqi troops in the region and the difficult conditions under which they are based, officials said.

"We've had some of our soldiers go AWOL [absent without leave] in Saudi Arabia," said an intelligence official. "It's fairly normal for large deployments."

Iraqi leader Saddam Hussein has killed dozens of senior military officers in recent months because of fears of coups and plots against his rule.

U.S. intelligence agencies estimate the Iraqis have nearly three dozen military Scud-B mobile launchers — which are different from the new tractor-trailor version — and as many as 60 fixed launchers that are located at several military bases around the country.

Most of the mobile launchers have been scattered to remote locations around Iraq to avoid detection by U.S. spy satellites.

The Iraqis are estimated to have a total force of about 200 ballistic missiles, including both Scud-Bs and home-made, long-range Scud-Bs. All are capable of firing chemical or high-explosive warheads.

Intelligence reports reaching Washington also indicate that the Iraqis have stockpiled chemical weapons at several Kuwaiti oil facilities in order to deter attacks on the facilities. A senior administration official said last week that Kuwait's oil production plants are not operating because their storage tanks are full and Iraq is unable to sell the oil because of the United Nations embargo.

Some veterans accuse president of 'dilly-dallying' in desert

By Joyce Price
THE WASHINGTON TIMES

Unless President Bush acts quickly and decisively to resolve the Persian Gulf crisis, he should bring the troops home, according to some veterans' organizations and many individual veterans.

The veterans fear Mr. Bush's "dilly-dallying" in the desert could result in another long-term, unwinnable Vietnam War.

"It is evident that George Bush either has forgotten the lessons of history or has chosen to ignore those lessons," said Ted Sampley, chairman of the National Committee for American War Veterans, who fought in Vietnam.

If the president does not act soon, he is "doomed to repeat the mistakes of Vietnam," Mr. Sampley said. "By hesitating, Bush is playing right into [Iraqi leader] Saddam Hussein's hands.

"We cannot win a long-term war," Mr. Sampley said. "Let's do it soon, do it decisively, and let's get out of there." His monthly newspaper, U.S. Veteran News and Report, has 30,000 subscribers.

The nation's largest veterans' organizations, such as the 3 million-member American Legion and the 2.1 million-member Veterans of Foreign Wars, believe Mr. Bush is correct in exploring every diplomatic and economic avenue before considering military force in the Middle East.

Adj. Gen. Howard E. Vander-Clute Jr. of the national VFW called Mr. Sampley's position "irresponsible," adding, "We wouldn't take such a position."

American Legion spokesman John Hanson said, "We would like the situation [in the Gulf] to end soon, but we're not going to encourage military action, if diplomatic action can be successful. Those kinds of decisions have to be made by Congress and the president, not private groups."

But many members of those larger organizations have different views. "If I had my way and was president, I'd drop a bomb over there," said Bill Takas, a World War II veteran reached at the Dundalk American Legion near Baltimore. "It's costing us billions of dollars to be over there, and for what? I'd hate to see this become another Vietnam or Korea. I lost a son in Vietnam."

Fred Skowronski, former treasurer of the 15,000-member, Chicago-based Polish Legion of American Veterans USA, said most members of that organization also are worried that a continued standoff in the Middle East could evolve into another Vietnam. "We lost in the jungle, and now we could lose again in the desert. We say either act quickly or bring the troops home. Let the other nations sit it out in the desert."

Michael Milne, executive director of the Pennsylvania-based Veterans of the Vietnam War Inc., said his group believes U.S. military action already should have been taken against Iraq, and he has expressed that view in an organization newspaper with 37,000 subscribers.

"They should have gone right in and taken [Saddam] Hussein out," Mr. Milne said. "Right now, the only job our troops are doing over there is passing out from heat stroke. Hussein is laughing as the biggest country in the world sits in the desert. It's ridiculous."

Mr. Milne, who is totally disabled as a result of herbicide poisoning during his service in Vietnam, said he does not believe Operation Desert Shield will turn into another "Nam."

"I don't think it will be a long-term issue when the president gets off his butt and decides to push the button."

Merle Stouffer, president of the 10,000-member Pearl Harbor Survivors' Association, shares Messrs. Milne, Sampley and Skowronski's desire for quick, convincing action. "The president's delaying too long. We should get out two miniature atomic bombs, drop them at two strategic locations, and our problems with Iraq will be over."

Mr. Stouffer said one bomb should be detonated under Mr. Hussein's bed. "And the other bomb should be under the bed of that other Hussein [Jordan's King Hussein]."

But Leigh Tallos of Shillington, Pa., a leader of Vietnam Veterans of America, said it's obvious President Bush hopes to succeed either by wearing down Saddam Hussein himself or wearing down Iraqi citizens so that they overthrow Mr. Hussein.

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THE WHITE HOUSE

OFFICE OF THE PRESS SECRETARY

EMBARGOED FOR RELEASE
UNTIL 9:00 P.M. EDT
TUESDAY, SEPTEMBER 11, 1990

TEXT OF REMARKS BY THE PRESIDENT
TO THE JOINT SESSION OF CONGRESS

U.S. CAPITOL
WASHINGTON, DC

SEPTEMBER 11, 1990

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE CONGRESS, DISTINGUISHED GUESTS, FELLOW AMERICANS, THANK YOU.

WE GATHER TONIGHT, WITNESS TO EVENTS IN THE PERSIAN GULF AS SIGNIFICANT AS THEY ARE TRAGIC. IN THE EARLY MORNING HOURS OF AUGUST 2ND, FOLLOWING NEGOTIATIONS AND PROMISES BY IRAQ'S DICTATOR SADDAM HUSSEIN NOT TO USE FORCE, A POWERFUL IRAQI ARMY INVADED ITS TRUSTING AND MUCH WEAKER NEIGHBOR, KUWAIT. WITHIN THREE DAYS, 120,000 IRAQI TROOPS WITH 850 TANKS HAD POURED INTO KUWAIT, AND MOVED SOUTH TO THREATEN SAUDI ARABIA. IT WAS THEN I DECIDED TO CHECK THAT AGGRESSION.

AT THIS MOMENT, OUR BRAVE SERVICEMEN AND WOMEN STAND WATCH IN THAT DISTANT DESERT AND ON DISTANT SEAS, SIDE BY SIDE WITH THE FORCES OF MORE THAN TWENTY OTHER NATIONS.

THEY ARE SOME OF THE FINEST MEN AND WOMEN OF THE UNITED STATES OF AMERICA. AND THEY'RE DOING ONE TERRIFIC JOB.

THESE VALIANT AMERICANS WERE READY AT A MOMENT'S NOTICE TO LEAVE THEIR SPOUSES, THEIR CHILDREN, TO SERVE ON THE FRONT-LINE HALF-WAY AROUND THE WORLD. THEY REMIND US WHO KEEPS AMERICA STRONG. THEY DO.

IN THE TRYING CIRCUMSTANCES OF THE GULF, THE MORALE OF OUR SERVICEMEN AND WOMEN IS EXCELLENT. IN THE FACE OF DANGER, THEY ARE BRAVE, WELL-TRAINED AND DEDICATED.

A SOLDIER, P.F.C. WADE MERRITT OF KNOXVILLE, TENNESSEE, NOW STATIONED IN SAUDI ARABIA, WROTE HIS PARENTS OF HIS WORRIES, HIS LOVE OF FAMILY, AND HIS HOPES FOR PEACE. BUT WADE ALSO WROTE: "I AM PROUD OF MY COUNTRY AND ITS FIRM STAND AGAINST INHUMANE AGGRESSION. I AM PROUD OF MY ARMY AND ITS MEN . . . I AM PROUD TO SERVE MY COUNTRY."

LET ME JUST SAY, WADE, AMERICA IS PROUD OF YOU. AND GRATEFUL TO EVERY SOLDIER, SAILOR, MARINE AND AIRMAN SERVING THE CAUSE OF PEACE IN THE PERSIAN GULF.

I ALSO WANT TO THANK THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF, GENERAL POWELL, THE CHIEFS, OUR COMMANDER IN THE PERSIAN GULF, GENERAL SCHWARTZKOPF, AND THE MEN AND WOMEN OF THE DEPARTMENT OF DEFENSE -- WHAT A MAGNIFICENT JOB YOU ARE DOING.

I WISH I COULD SAY THEIR WORK IS DONE. BUT WE ALL KNOW IT IS NOT.

SO IF EVER THERE WAS A TIME TO PUT COUNTRY BEFORE SELF AND PATRIOTISM BEFORE PARTY, THAT TIME IS NOW. LET ME THANK ALL AMERICANS, ESPECIALLY THOSE IN THIS CHAMBER, FOR YOUR SUPPORT FOR OUR FORCES AND THEIR MISSION.

THAT SUPPORT WILL BE EVEN MORE IMPORTANT IN THE DAYS TO COME.

SO TONIGHT, I WANT TO TALK TO YOU ABOUT WHAT IS AT STAKE -- WHAT WE MUST DO TOGETHER TO DEFEND CIVILIZED VALUES AROUND THE WORLD, AND MAINTAIN OUR ECONOMIC STRENGTH AT HOME.

OUR OBJECTIVES IN THE PERSIAN GULF ARE CLEAR, OUR GOALS DEFINED AND FAMILIAR:

-- IRAQ MUST WITHDRAW FROM KUWAIT COMPLETELY, IMMEDIATELY -- AND WITHOUT CONDITION.

-- KUWAIT'S LEGITIMATE GOVERNMENT MUST-BE-RESTORED.

-- THE SECURITY AND STABILITY OF THE PERSIAN GULF MUST-BE-ASSURED.

-- AMERICAN CITIZENS ABROAD MUST-BE- PROTECTED.

THESE GOALS ARE NOT OURS ALONE. THEY HAVE BEEN ENDORSED BY THE U.N. SECURITY COUNCIL FIVE TIMES IN AS MANY WEEKS. MOST COUNTRIES SHARE OUR CONCERN FOR PRINCIPLE. AND MANY HAVE A STAKE IN THE STABILITY OF THE PERSIAN GULF. THIS IS NOT, AS SADDAM HUSSEIN WOULD HAVE IT, THE UNITED STATES AGAINST IRAQ. IT IS IRAQ AGAINST THE WORLD.

AS YOU KNOW, I'VE JUST RETURNED FROM A VERY PRODUCTIVE MEETING WITH SOVIET PRESIDENT GORBACHEV. I AM PLEASED THAT WE ARE WORKING TOGETHER TO BUILD A NEW RELATIONSHIP. IN HELSINKI, OUR JOINT STATEMENT AFFIRMED TO THE WORLD OUR SHARED RESOLVE TO COUNTER IRAQ'S THREAT TO PEACE. LET ME QUOTE: "WE ARE UNITED IN THE BELIEF THAT IRAQ'S AGGRESSION MUST-NOT-BE-TOLERATED. NO PEACEFUL INTERNATIONAL ORDER IS POSSIBLE IF LARGER STATES CAN DEVOUR THEIR SMALLER NEIGHBORS."

CLEARLY, NO LONGER CAN A DICTATOR COUNT ON EAST-WEST CONFRONTATION TO STYMIE CONCERTED U.N. ACTION AGAINST AGGRESSION.

A NEW PARTNERSHIP OF NATIONS HAS BEGUN.

WE STAND TODAY AT A UNIQUE AND EXTRAORDINARY MOMENT. THE CRISIS IN THE PERSIAN GULF, AS GRAVE AS IT IS, ALSO OFFERS A RARE OPPORTUNITY TO MOVE TOWARD AN HISTORIC PERIOD OF COOPERATION. OUT OF THESE TROUBLED TIMES, OUR FIFTH OBJECTIVE -- A NEW WORLD ORDER -- CAN EMERGE: A NEW ERA -- FREER FROM THE THREAT OF TERROR, STRONGER IN THE PURSUIT OF JUSTICE, AND MORE SECURE IN THE QUEST FOR PEACE. AN ERA IN WHICH THE NATIONS OF THE WORLD, EAST AND WEST, NORTH AND SOUTH, CAN PROSPER AND LIVE IN HARMONY.

A HUNDRED GENERATIONS HAVE SEARCHED FOR THIS ELUSIVE PATH TO PEACE, WHILE A THOUSAND WARS RAGED ACROSS THE SPAN OF HUMAN ENDEAVOR. TODAY THAT NEW WORLD IS STRUGGLING TO BE BORN. A WORLD QUITE DIFFERENT FROM THE ONE WE'VE KNOWN. A WORLD WHERE THE RULE OF LAW SUPPLANTS THE RULE OF THE JUNGLE. A WORLD IN WHICH NATIONS RECOGNIZE THE SHARED RESPONSIBILITY FOR FREEDOM AND JUSTICE. A WORLD WHERE THE STRONG RESPECT THE RIGHTS OF THE WEAK.

THIS IS THE VISION I SHARED WITH PRESIDENT GORBACHEV IN HELSINKI. HE, AND OTHER LEADERS FROM EUROPE, THE GULF AND AROUND THE WORLD, UNDERSTAND THAT HOW WE MANAGE THIS CRISIS TODAY, COULD SHAPE THE FUTURE FOR GENERATIONS TO COME.

THE TEST WE FACE IS GREAT -- AND SO ARE THE STAKES. THIS IS THE FIRST ASSAULT ON THE NEW WORLD WE SEEK, THE FIRST TEST OF OUR METTLE. HAD WE NOT RESPONDED TO THIS FIRST PROVOCATION WITH CLARITY OF PURPOSE; IF WE DO NOT CONTINUE TO DEMONSTRATE OUR DETERMINATION; IT WOULD BE A SIGNAL TO ACTUAL AND POTENTIAL DESPOTS AROUND THE WORLD.

AMERICA AND THE WORLD MUST DEFEND COMMON VITAL INTERESTS. AND WE WILL.

AMERICA AND THE WORLD MUST SUPPORT THE RULE OF LAW. AND WE WILL.

AMERICA AND THE WORLD MUST STAND UP TO AGGRESSION. AND WE WILL.

AND ONE THING MORE -- IN PURSUIT OF THESE GOALS AMERICA WILL NOT BE INTIMIDATED.

VITAL ISSUES OF PRINCIPLE ARE AT STAKE. SADDAM HUSSEIN IS LITERALLY TRYING TO WIPE A COUNTRY OFF THE FACE OF THE EARTH.

WE DO NOT EXAGGERATE.

NOR DO WE EXAGGERATE WHEN WE SAY: SADDAM HUSSEIN WILL FAIL.

VITAL ECONOMIC INTERESTS ARE AT RISK AS WELL. IRAQ ITSELF CONTROLS SOME TEN PERCENT OF THE WORLD'S PROVEN OIL RESERVES. IRAQ PLUS KUWAIT CONTROLS TWICE THAT. AN IRAQ PERMITTED TO SWALLOW KUWAIT WOULD HAVE THE ECONOMIC AND MILITARY POWER, AS WELL AS THE ARROGANCE, TO INTIMIDATE AND COERCE ITS NEIGHBORS -- NEIGHBORS WHO CONTROL THE LION'S SHARE OF THE WORLD'S REMAINING OIL RESERVES. WE CANNOT PERMIT A RESOURCE SO VITAL TO BE DOMINATED BY ONE SO RUTHLESS. AND WE WON'T.

RECENT EVENTS HAVE SURELY PROVEN THAT THERE IS NO SUBSTITUTE FOR AMERICAN LEADERSHIP. IN THE FACE OF TYRANNY, LET NO ONE DOUBT AMERICAN CREDIBILITY AND RELIABILITY.

LET NO ONE DOUBT OUR STAYING POWER. WE WILL STAND BY OUR FRIENDS.

ONE WAY OR ANOTHER, THE LEADER OF IRAQ MUST LEARN THIS FUNDAMENTAL TRUTH.

FROM THE OUTSET, ACTING HAND-IN-HAND WITH OTHERS, WE'VE SOUGHT TO FASHION THE BROADEST POSSIBLE INTERNATIONAL RESPONSE TO IRAQ'S AGGRESSION. THE LEVEL OF WORLD COOPERATION AND CONDEMNATION OF IRAQ IS UNPRECEDENTED.

ARMED FORCES FROM COUNTRIES SPANNING FOUR CONTINENTS, ARE THERE AT THE REQUEST OF KING FAHD OF SAUDI ARABIA TO DETER AND IF NEED BE, TO DEFEND AGAINST ATTACK. MUSLIMS AND NON-MUSLIMS, ARABS AND NON-ARABS, SOLDIERS FROM MANY NATIONS, STAND SHOULDER-TO-SHOULDER, RESOLUTE AGAINST SADDAM HUSSEIN'S AMBITIONS.

WE CAN NOW POINT TO FIVE UNITED NATIONS SECURITY COUNCIL RESOLUTIONS THAT CONDEMN IRAQ'S AGGRESSION. THEY CALL FOR IRAQ'S IMMEDIATE AND UNCONDITIONAL WITHDRAWAL, THE RESTORATION OF KUWAIT'S LEGITIMATE GOVERNMENT, AND CATEGORICALLY REJECT IRAQ'S CYNICAL AND SELF-SERVING ATTEMPT TO ANNEX KUWAIT.

FINALLY, THE U.N. HAS DEMANDED THE RELEASE OF ALL FOREIGN NATIONALS HELD HOSTAGE AGAINST THEIR WILL, AND IN CONTRAVENTION OF INTERNATIONAL LAW. IT IS A MOCKERY OF HUMAN DECENCY TO CALL THESE PEOPLE "GUESTS." THEY ARE HOSTAGES, AND THE WHOLE WORLD KNOWS IT.

PRIME MINISTER MARGARET THATCHER SAID IT ALL: "WE DO NOT BARGAIN OVER HOSTAGES. WE WILL NOT STOOP TO THE LEVEL OF USING HUMAN BEINGS AS BARGAINING (CHIPS). EVER."

OF COURSE, OUR HEARTS GO OUT TO THE HOSTAGES AND THEIR FAMILIES. BUT OUR POLICY CANNOT CHANGE. AND IT WILL NOT CHANGE. AMERICA AND THE WORLD WILL NOT BE BLACKMAILED.

WE ARE NOW IN SIGHT OF A UNITED NATIONS THAT PERFORMS AS ENVISIONED BY ITS FOUNDERS. WE OWE MUCH TO THE OUTSTANDING LEADERSHIP OF SECRETARY-GENERAL PEREZ DE CUELLAR. THE U.N. IS BACKING UP ITS WORDS WITH ACTION. THE SECURITY COUNCIL HAS IMPOSED MANDATORY ECONOMIC SANCTIONS ON IRAQ, DESIGNED TO FORCE IRAQ TO RELINQUISH THE SPOILS OF ITS ILLEGAL CONQUEST. THE SECURITY COUNCIL HAS ALSO TAKEN THE DECISIVE STEP OF AUTHORIZING THE USE OF ALL MEANS NECESSARY TO ENSURE COMPLIANCE WITH THESE SANCTIONS.

TOGETHER WITH OUR FRIENDS AND ALLIES, SHIPS OF THE UNITED STATES NAVY ARE TODAY PATROLLING MIDEAST WATERS. THEY HAVE ALREADY INTERCEPTED MORE THAN SEVEN HUNDRED SHIPS TO ENFORCE THE SANCTIONS. THREE REGIONAL LEADERS I SPOKE WITH JUST YESTERDAY TOLD ME THAT THESE SANCTIONS ARE WORKING. IRAQ IS FEELING THE HEAT.

WE CONTINUE TO HOPE THAT IRAQ'S LEADERS WILL RECALCULATE JUST WHAT THEIR AGGRESSION HAS COST THEM. THEY ARE CUT OFF FROM WORLD TRADE. UNABLE TO SELL THEIR OIL. AND ONLY A TINY FRACTION OF GOODS GETS THROUGH.

AT HOME, THE MATERIAL COST OF OUR LEADERSHIP CAN BE STEEP. THAT'S WHY SECRETARY OF STATE BAKER AND TREASURY SECRETARY BRADY HAVE MET WITH MANY WORLD LEADERS TO UNDERSCORE THAT THE BURDEN OF THIS COLLECTIVE EFFORT MUST BE SHARED. WE ARE PREPARED TO DO OUR SHARE AND MORE TO HELP CARRY THAT LOAD; WE INSIST OTHERS DO THEIR SHARE AS WELL.

THE RESPONSE OF MOST OF OUR FRIENDS AND ALLIES HAS BEEN GOOD. TO HELP DEFRAY COSTS, THE LEADERS OF SAUDI ARABIA, KUWAIT AND THE UNITED ARAB EMIRATES HAVE PLEDGED TO PROVIDE OUR DEPLOYED TROOPS WITH ALL THE FOOD AND FUEL THEY NEED. GENEROUS ASSISTANCE WILL ALSO BE PROVIDED TO STALWART FRONT-LINE NATIONS, SUCH AS TURKEY AND EGYPT.

I AM ALSO HEARTENED TO REPORT THAT THIS INTERNATIONAL RESPONSE EXTENDS TO THE NEEDIEST VICTIMS OF THIS CONFLICT -- THE REFUGEES. FOR OUR PART, WE HAVE CONTRIBUTED $28 MILLION FOR RELIEF EFFORTS. THIS IS BUT A PORTION OF WHAT IS NEEDED. I COMMEND, IN PARTICULAR, SAUDI ARABIA, JAPAN, AND SEVERAL EUROPEAN NATIONS WHO HAVE JOINED US IN THIS HUMANITARIAN EFFORT.

THERE IS AN ENERGY-RELATED COST TO BE BORNE AS WELL. OIL-PRODUCING NATIONS ARE ALREADY REPLACING LOST IRAQI AND KUWAITI OUTPUT. MORE THAN HALF OF WHAT WAS LOST HAS BEEN MADE UP. WE ARE GETTING SUPERB COOPERATION. IF PRODUCERS, INCLUDING THE UNITED STATES, CONTINUE STEPS TO EXPAND OIL AND GAS PRODUCTION, WE CAN STABILIZE PRICES AND GUARANTEE AGAINST HARDSHIP. ADDITIONALLY, WE AND SEVERAL OF OUR ALLIES ALWAYS HAVE THE OPTION TO EXTRACT OIL FROM OUR STRATEGIC PETROLEUM RESERVES, IF CONDITIONS WARRANT. AS I HAVE POINTED OUT BEFORE, CONSERVATION EFFORTS ARE ESSENTIAL TO KEEP OUR ENERGY NEEDS AS LOW AS POSSIBLE. WE MUST THEN TAKE ADVANTAGE OF OUR ENERGY SOURCES ACROSS THE BOARD: COAL, NATURAL GAS, HYDRO AND NUCLEAR. OUR FAILURE TO DO THESE THINGS HAS MADE US MORE DEPENDENT ON FOREIGN OIL THAN EVER BEFORE. FINALLY, LET NO ONE EVEN CONTEMPLATE PROFITEERING FROM THIS CRISIS.

I CANNOT PREDICT JUST HOW LONG IT WILL TAKE TO CONVINCE IRAQ TO WITHDRAW FROM KUWAIT. SANCTIONS WILL TAKE TIME TO HAVE THEIR FULL INTENDED EFFECT. WE WILL CONTINUE TO REVIEW ALL OPTIONS WITH OUR ALLIES, BUT LET IT BE CLEAR: WE WILL NOT LET THIS AGGRESSION STAND.

OUR INTEREST, OUR INVOLVEMENT IN THE GULF, IS NOT TRANSITORY. IT PRE-DATED SADDAM HUSSEIN'S AGGRESSION, AND WILL SURVIVE IT. LONG AFTER ALL OUR TROOPS COME HOME, THERE WILL BE A LASTING ROLE FOR THE UNITED STATES IN ASSISTING THE NATIONS OF THE PERSIAN GULF. OUR ROLE, WITH OTHERS, IS TO DETER FUTURE AGGRESSION. OUR ROLE IS TO HELP OUR FRIENDS IN THEIR OWN SELF-DEFENSE. AND SOMETHING ELSE: TO CURB THE PROLIFERATION OF CHEMICAL, BIOLOGICAL, BALLISTIC MISSILE AND ABOVE ALL, NUCLEAR TECHNOLOGIES.

LET ME ALSO MAKE CLEAR THAT THE UNITED STATES HAS NO QUARREL WITH THE IRAQI PEOPLE. OUR QUARREL IS WITH IRAQ'S DICTATOR, AND WITH HIS AGGRESSION. IRAQ WILL NOT BE PERMITTED TO ANNEX KUWAIT. THAT'S NOT A THREAT, OR A BOAST, THAT'S JUST THE WAY IT'S GOING TO BE.

OUR ABILITY TO FUNCTION EFFECTIVELY AS A GREAT POWER ABROAD DEPENDS ON HOW WE CONDUCT OURSELVES HERE AT HOME. OUR ECONOMY, OUR ARMED FORCES, OUR ENERGY DEPENDENCE, AND OUR COHESION ALL DETERMINE WHETHER WE CAN HELP OUR FRIENDS AND STAND UP TO OUR FOES.

FOR AMERICA TO LEAD, AMERICA MUST REMAIN STRONG AND VITAL. OUR WORLD LEADERSHIP AND DOMESTIC STRENGTH ARE MUTUAL AND REINFORCING; A WOVEN PIECE, AS STRONGLY BOUND AS OLD GLORY.

TO REVITALIZE OUR LEADERSHIP CAPACITY, WE MUST ADDRESS OUR BUDGET DEFICIT -- NOT AFTER ELECTION DAY, OR NEXT YEAR, BUT NOW.

HIGHER OIL PRICES SLOW OUR GROWTH, AND HIGHER DEFENSE COSTS WOULD ONLY MAKE OUR FISCAL DEFICIT PROBLEM WORSE. THAT DEFICIT WAS ALREADY GREATER THAN IT SHOULD HAVE BEEN -- A PROJECTED $232 BILLION FOR THE COMING YEAR. IT MUST -- IT WILL -- BE REDUCED.

TO MY FRIENDS IN CONGRESS, TOGETHER WE MUST ACT THIS VERY MONTH -- BEFORE THE NEXT FISCAL YEAR BEGINS OCTOBER FIRST -- TO GET AMERICA'S ECONOMIC HOUSE IN ORDER. THE GULF SITUATION HELPS US REALIZE WE ARE MORE ECONOMICALLY VULNERABLE THAN WE EVER SHOULD BE. AMERICANS MUST NEVER AGAIN ENTER ANY CRISIS -- ECONOMIC OR MILITARY -- WITH AN EXCESSIVE DEPENDENCE ON FOREIGN OIL AND AN EXCESSIVE BURDEN OF FEDERAL DEBT.

MOST AMERICANS ARE SICK AND TIRED OF ENDLESS BATTLES IN THE CONGRESS AND BETWEEN THE BRANCHES OVER BUDGET MATTERS. IT IS HIGH TIME WE PULLED TOGETHER --AND GET THE JOB DONE RIGHT. IT IS UP TO US TO STRAIGHTEN THIS OUT.

THIS JOB HAS FOUR BASIC PARTS.

FIRST: THE CONGRESS SHOULD, THIS MONTH, WITHIN A BUDGET AGREEMENT, ENACT GROWTH-ORIENTED TAX MEASURES -- TO HELP AVOID RECESSION IN THE SHORT TERM; AND TO INCREASE SAVINGS, INVESTMENT, PRODUCTIVITY AND COMPETITIVENESS FOR THE LONGER TERM. THESE MEASURES INCLUDE EXTENDING INCENTIVES FOR RESEARCH AND EXPERIMENTATION; EXPANDING THE USE OF IRAs FOR NEW HOMEOWNERS; ESTABLISHING TAX-DEFERRED FAMILY SAVINGS ACCOUNTS; CREATING INCENTIVES FOR THE CREATION OF ENTERPRISE ZONES AND INITIATIVES TO ENCOURAGE MORE DOMESTIC DRILLING; AND, YES, REDUCING THE TAX RATE FOR CAPITAL GAINS.

SECOND: THE CONGRESS SHOULD, THIS MONTH, ENACT A PRUDENT MULTI-YEAR DEFENSE PROGRAM -- ONE THAT REFLECTS NOT ONLY THE IMPROVEMENT IN EAST-WEST RELATIONS, BUT OUR BROADER RESPONSIBILITIES TO DEAL WITH THE CONTINUING RISKS OF OUTLAW ACTION AND REGIONAL CONFLICT. EVEN WITH OUR OBLIGATIONS IN THE GULF, A SOUND DEFENSE BUDGET CAN HAVE SOME REDUCTION IN REAL TERMS, AND WE ARE PREPARED TO ACCEPT THAT. BUT TO GO BEYOND SUCH LEVELS, WHERE CUTTING DEFENSE WOULD THREATEN OUR VITAL MARGIN OF SAFETY, IS SOMETHING I WILL NEVER ACCEPT.

THE WORLD IS STILL DANGEROUS. SURELY THAT IS NOW CLEAR. STABILITY IS NOT SECURE. AMERICAN INTERESTS ARE FAR-REACHING. INTER-DEPENDENCE HAS INCREASED. THE CONSEQUENCES OF REGIONAL INSTABILITY CAN BE GLOBAL. THIS IS NO TIME TO RISK AMERICA'S CAPACITY TO PROTECT HER VITAL INTERESTS.

THIRD: THE CONGRESS SHOULD, THIS MONTH, ENACT MEASURES TO INCREASE DOMESTIC ENERGY PRODUCTION AND ENERGY CONSERVATION -- IN ORDER TO REDUCE DEPENDENCE ON FOREIGN OIL. THESE MEASURES SHOULD INCLUDE MY PROPOSALS TO INCREASE INCENTIVES FOR DOMESTIC OIL AND GAS EXPLORATION, FUEL-SWITCHING, AND TO ACCELERATE THE DEVELOPMENT OF ALASKAN ENERGY RESOURCES, WITHOUT DAMAGE TO WILDLIFE.

AS YOU KNOW, WHEN THE OIL EMBARGO WAS IMPOSED IN THE EARLY 1970'S, THE UNITED STATES IMPORTED ALMOST SIX MILLION BARRELS OF OIL PER DAY. THIS YEAR, BEFORE THE IRAQI INVASION, U.S. IMPORTS HAD RISEN TO NEARLY EIGHT MILLION BARRELS PER DAY. WE HAD MOVED IN THE WRONG DIRECTION. NOW WE MUST ACT TO CORRECT THAT TREND.

FOURTH: THE CONGRESS SHOULD, THIS MONTH, ENACT A FIVE-YEAR PROGRAM TO REDUCE THE PROJECTED DEBT AND DEFICITS BY $500 BILLION -- THAT IS, BY HALF A TRILLION DOLLARS. IF, WITH THE CONGRESS, WE CAN DEVELOP A SATISFACTORY PROGRAM BY THE END OF THE MONTH, WE CAN AVOID THE AXE OF "SEQUESTER" -- DEEP ACROSS-THE-BOARD CUTS THAT WOULD THREATEN OUR MILITARY CAPACITY AND RISK SUBSTANTIAL DOMESTIC DISRUPTION.

I WANT TO BE ABLE TO TELL THE AMERICAN PEOPLE, WE HAVE TRULY SOLVED THE DEFICIT PROBLEM. FOR ME TO DO THAT, A BUDGET AGREEMENT MUST MEET THESE TESTS:

-- IT MUST INCLUDE THE MEASURES I'VE RECOMMENDED TO INCREASE ECONOMIC GROWTH AND REDUCE DEPENDENCE ON FOREIGN OIL.

-- IT MUST BE FAIR. ALL SHOULD CONTRIBUTE, BUT THE BURDEN SHOULD NOT BE EXCESSIVE FOR ANY ONE GROUP OF PROGRAMS OR PEOPLE.

-- IT MUST ADDRESS THE GROWTH OF GOVERNMENT'S HIDDEN LIABILITIES.

-- IT MUST REFORM THE BUDGET PROCESS, AND FURTHER: IT MUST BE REAL.

I URGE CONGRESS TO PROVIDE A COMPREHENSIVE FIVE-YEAR DEFICIT REDUCTION PROGRAM TO ME AS A COMPLETE LEGISLATIVE PACKAGE -- WITH MEASURES TO ASSURE THAT IT CAN BE FULLY ENFORCED. AMERICA IS TIRED OF PHONEY DEFICIT REDUCTION, OR PROMISE-NOW, SAVE-LATER-PLANS. ENOUGH IS ENOUGH. IT IS TIME FOR A PROGRAM THAT IS CREDIBLE AND REAL.

-- FINALLY, TO THE EXTENT THAT THE DEFICIT REDUCTION PROGRAM INCLUDES NEW REVENUE MEASURES, IT MUST AVOID ANY MEASURE THAT WOULD THREATEN ECONOMIC GROWTH OR TURN US BACK TOWARD THE DAYS OF PUNISHING INCOME TAX RATES. THAT IS ONE PATH WE SHOULD NOT HEAD DOWN AGAIN.

I HAVE BEEN PLEASED WITH RECENT PROGRESS, ALTHOUGH IT HAS NOT ALWAYS SEEMED SO SMOOTH.

BUT NOW IT IS TIME TO PRODUCE.

I HOPE WE CAN WORK OUT A RESPONSIBLE PLAN. BUT WITH OR WITHOUT AGREEMENT FROM THE BUDGET SUMMIT, I ASK BOTH HOUSES OF THE CONGRESS TO ALLOW A STRAIGHT UP-OR-DOWN VOTE ON A COMPLETE $500 BILLION DEFICIT REDUCTION PACKAGE -- NOT LATER THAN SEPTEMBER 28.

IF THE CONGRESS CANNOT GET ME A BUDGET, THEN AMERICANS WILL HAVE TO FACE A TOUGH, MANDATED SEQUESTER.

I AM HOPEFUL, IN FACT I AM CONFIDENT, THE CONGRESS WILL DO WHAT IT SHOULD. AND WE IN THE EXECUTIVE BRANCH WILL DO OUR PART.

IN THE FINAL ANALYSIS, OUR ABILITY TO MEET OUR RESPONSIBILITIES ABROAD DEPENDS UPON POLITICAL WILL AND CONSENSUS AT HOME. THIS IS NEVER EASY IN DEMOCRACIES -- WHERE WE GOVERN ONLY WITH THE CONSENT OF THE GOVERNED. AND ALTHOUGH FREE PEOPLE IN A FREE SOCIETY ARE BOUND TO HAVE THEIR DIFFERENCES, AMERICANS TRADITIONALLY COME TOGETHER IN TIMES OF ADVERSITY AND CHALLENGE.

ONCE AGAIN, AMERICANS HAVE STEPPED FORWARD TO SHARE A TEARFUL GOODBYE WITH THEIR FAMILIES BEFORE LEAVING FOR A STRANGE AND DISTANT SHORE. AT THIS VERY MOMENT, THEY SERVE TOGETHER WITH ARABS, EUROPEANS, ASIANS AND AFRICANS IN DEFENSE OF PRINCIPLE AND THE DREAM OF A NEW WORLD ORDER. THAT IS WHY THEY SWEAT AND TOIL IN THE SAND AND THE HEAT AND THE SUN.

IF THEY CAN COME TOGETHER UNDER SUCH ADVERSITY; IF OLD ADVERSARIES LIKE THE SOVIET UNION AND THE UNITED STATES CAN WORK IN COMMON CAUSE; THEN SURELY WE WHO ARE SO FORTUNATE TO BE IN THIS GREAT CHAMBER -- DEMOCRATS, REPUBLICANS, LIBERALS, CONSERVATIVES -- CAN COME TOGETHER TO FULFILL OUR RESPONSIBILITIES HERE.

THANK YOU, GOOD NIGHT, AND GOD BLESS AMERICA.

# # #

ADDRESS TO THE JOINT SESSION OF CONGRESS \ U.S. CAPITOL
SEPTEMBER 11, 1990 \ 9:00 P. M.

MISTER PRESIDENT, MISTER SPEAKER, MEMBERS OF THE CONGRESS, DISTINGUISHED GUESTS, FELLOW AMERICANS, THANK YOU.

WE GATHER TONIGHT, WITNESS TO EVENTS IN THE PERSIAN GULF AS TERRIBLE AS THEY ARE TRAGIC. FOLLOWING NEGOTIATIONS AND PROMISES BY IRAQ'S DICTATOR SADDAM HUSSEIN NOT TO USE FORCE, A POWERFUL IRAQI ARMY INVADED ITS TRUSTING AND MUCH WEAKER NEIGHBOR, KUWAIT, IN THE EARLY MORNING HOURS OF AUGUST 2. WITHIN THREE ~~WEEKS~~, DAYS 120,000 IRAQI TROOPS WITH 850 TANKS OCCUPIED THE COUNTRY. THEN IRAQ ANNEXED KUWAIT, WHILE MOVING ((HUNDREDS)) OF TANKS SOUTH TOWARD SAUDI ARABIA. ALL NATIONS ARE APPALLED BY WIDESPREAD ACCOUNTS OF IRAQI SOLDIERS LOOTING KUWAITI PROPERTY AND ATTACKING KUWAITI CITIZENS. ALL OF THIS DONE TO A COUNTRY THAT IS A MEMBER OF THE UNITED NATIONS AND THE ARAB LEAGUE; THE SAME KUWAIT THAT IRAQ RECOGNIZED ALMOST THIRTY YEARS AGO, THE SAME KUWAIT THAT GENEROUSLY SUPPORTED IRAQ DURING ITS EIGHT-YEAR STRUGGLE WITH IRAN.

265,000 now
2200 tanks
1200
now
165,000 in Kuwait
approx 750 intercepts

AS WE MEET, BRAVE SERVICE MEN AND WOMEN STAND WATCH IN THIS DISTANT DESERT AND ON DISTANT SEAS, SIDE BY SIDE WITH THE FORCES OF WHAT WILL SOON BE TWENTY-SEVEN OTHER NATIONS.

THE COURAGE OF THESE MEN AND WOMEN FROM AROUND THE WORLD IS TESTAMENT TO THE WORLD'S RESPONSE TO AN OUTRAGE. **AMONG THEM ARE SOME OF THE FINEST MEN AND WOMEN OF THE UNITED STATES OF AMERICA.**\\\

WHEN WE STOP TO THINK THAT THESE VALIANT AMERICANS VOLUNTEERED TO BE READY AT A MOMENT'S NOTICE, TO LEAVE FAMILIAR POSTS AND CAREERS, THEIR SPOUSES, THEIR CHILDREN, TO PUT THEMSELVES ON THE FRONT-LINE HALF-WAY AROUND THE WORLD, **THEN WE KNOW WHO KEEPS AMERICA STRONG.**\\ **THEY DO.**\\\\

AND ISN'T IT A TESTAMENT TO WHO WE ARE, THAT AS SOME BOARD SHIPS AND PLANES BOUND FOR THE PERSIAN GULF, THEY MAY HEAR THESE DEPARTING WORDS: **MOM, WE'RE PROUD OF YOU.**\\\\

IN TRYING CIRCUMSTANCES, THE MORALE OF OUR SERVICEMEN AND WOMEN IS EXCELLENT. IN THE FACE OF DANGER, THEY ARE BRAVE.

out ~ 2 yrs. 2nd tour of duty - Sgt. March back in

PFC ARMY

A SOLDIER ((RANK)) BY THE NAME OF WADE MERRITT OF KNOXVILLE, TENNESSEE, NOW STATIONED IN ((SAUDI ARABIA)), WROTE HIS PARENTS OF HIS WORRIES, HIS LOVE OF FAMILY, AND HIS HOPES FOR PEACE. BUT WADE ALSO WRITES: "I AM PROUD OF MY COUNTRY AND ITS FIRM STAND AGAINST INHUMANE AGGRESSION. I AM PROUD OF MY ARMY AND ITS MEN . . . I AM PROUD TO SERVE MY COUNTRY."

left ~ month ago Fort Stewart, GA

Cheryl Merritt

LET ME JUST SAY, WADE, AMERICA IS PROUD OF YOU.\\ AMERICA IS GRATEFUL TO EVERY SOLDIER, SAILOR, MARINE, ~~AND~~ AIRMAN / + COASTGUARDSMAN SERVING THE CAUSE OF PEACE IN THE PERSIAN GULF.\\\

LET US ALSO RETURN A SALUTE TO THE MILITARY LEADERS WITH US TONIGHT -- THE FIRST-CLASS PROFESSIONALS OF THE JOINT CHIEFS OF STAFF. ON BEHALF OF THE AMERICAN PEOPLE, GENERAL POWELL, CHIEFS, WHAT A MAGNIFICENT JOB YOU ARE DOING.\\\

I WISH I COULD SAY THEIR WORK IS DONE. BUT WE ALL KNOW IT ISN'T.

SO IF EVER THERE WAS A TIME TO PUT COUNTRY BEFORE SELF AND PATRIOTISM BEFORE PARTY, **THAT TIME IS NOW.**\\\ LET ME THANK YOU ALL AMERICANS -- DEMOCRATS, REPUBLICANS, AND INDEPENDENTS ALIKE -- FOR YOUR SUPPORT.

BUT THAT SUPPORT WILL BE EVEN MORE IMPORTANT IN THE DAYS TO COME. SO TONIGHT, I WANT TO TALK TO YOU ABOUT WHAT IS AT STAKE, AND WHAT WE MUST DO TOGETHER TO DEFEND CIVILIZED VALUES AROUND THE WORLD, AND ECONOMIC STRENGTH AT HOME. FOR MORE THAN TWO HUNDRED YEARS, WE HAVE BEEN ONE PEOPLE, WITH A BROAD SET OF INTERESTS SERVED BY BOTH OUR FOREIGN AND DOMESTIC POLICIES. THAT REMAINS UNCHANGED. SO TONIGHT, LET ME BEGIN WITH OUR INTERNATIONAL RELATIONS.

AMERICA AND THE WORLD MUST DEFEND COMMON VITAL INTERESTS. **AND WE WILL.**\\\

AMERICA AND THE WORLD MUST SUPPORT THE RULE OF LAW. **AND WE WILL.**\\\

AMERICA AND THE WORLD MUST STAND UP TO AGGRESSION. AND WE WILL.\\\

AND ONE MORE THING -- WE WILL NEVER, EVER GIVE IN TO BLACKMAIL.\\\

OUR OBJECTIVES IN THE PERSIAN GULF ARE CLEAR, OUR GOALS DEFINED AND FAMILIAR:

*** IRAQ MUST WITHDRAW FROM KUWAIT COMPLETELY, IMMEDIATELY, AND WITHOUT CONDITION.\\\

*** KUWAIT'S LEGITIMATE GOVERNMENT MUST BE RESTORED.\\\

*** THE SECURITY AND STABILITY OF THE PERSIAN GULF MUST BE ASSURED.\\\

*** AMERICAN CITIZENS ABROAD MUST BE PROTECTED.\\\

AND TONIGHT, LET ME ADD THAT WE ARE IN SIGHT OF A UNITED NATIONS THAT PLAYS THE ROLE ENVISIONED BY ITS FOUNDERS. FOR THIS WE OWE MUCH TO SECRETARY-GENERAL PEREZ DE CUELLAR. AND THIS, I BELIEVE, IS THE GREATEST GOAL OF ALL, THE ESTABLISHMENT OF A NEW WORLD ORDER.

THESE GOALS ARE NOT OURS ALONE. MANY COUNTRIES SHARE OUR CONCERN FOR PRINCIPLE. MANY COUNTRIES HAVE A STAKE IN THE STABILITY OF THE PERSIAN GULF. AND ALL SHARE A HEARTFELT CONCERN FOR THEIR MEN, WOMEN, AND CHILDREN HELD HOSTAGE. THIS IS NOT, AS SADDAM HUSSEIN WOULD HAVE IT, THE UNITED STATES AGAINST IRAQ. IT IS IRAQ AGAINST THE WORLD.\\\

AS YOU KNOW, I'VE JUST RETURNED FROM A VERY PRODUCTIVE MEETING WITH SOVIET PRESIDENT GORBACHEV. I AM THANKFUL THAT HE HAS COURAGEOUSLY DEPARTED FROM THE PAST, SO THAT WE MIGHT WORK TOGETHER TO BUILD A NEW RELATIONSHIP. IN HELSINKI, WE ISSUED A JOINT STATEMENT, AN ANNOUNCEMENT TO THE WORLD OF OUR SHARED RESOLVE TO COUNTER IRAQ'S THREAT TO PEACE.

IT'S MESSAGE COULD NOT BE MORE CLEAR: "WE ARE UNITED IN THE BELIEF THAT IRAQ'S AGGRESSION MUST NOT BE TOLERATED. NO PEACEFUL INTERNATIONAL ORDER IS POSSIBLE IF LARGER STATES CAN DEVOUR THEIR SMALLER NEIGHBORS."

CLEARLY, NO LONGER CAN A DICTATOR LIKE SADDAM HUSSEIN COUNT ON EAST-WEST CONFRONTATION TO STYMIE CONCERTED ACTION AGAINST AGGRESSION. NO LONGER WILL THE MACHINERY OF THE UNITED NATIONS BE SABOTAGED BY THE COLD WAR.\\\

WHEN THE SOVIET UNION JOINED WITH US IN THE UNITED NATIONS TO CONDEMN THE AGGRESSION OF A FORMER ALLY, THEN I KNEW THAT AT LONG LAST, WE COULD PUT FORTY-FIVE YEARS OF HISTORY BEHIND US. AT LONG LAST:\\ <u>THE COLD WAR IS OVER</u>.\\\

A NEW PARTNERSHIP OF NATIONS HAS BEGUN.

WE STAND TODAY AT A UNIQUE AND EXTRAORDINARY MOMENT. THE CRISIS IN THE PERSIAN GULF, AS GRAVE AS IT IS, ALSO OFFERS A RARE OPPORTUNITY TO ESTABLISH AN HISTORIC PRECEDENT OF COOPERATION. OUT OF THESE TROUBLED TIMES, A NEW WORLD ORDER CAN EMERGE -- MAKING THE POST-COLD WAR ERA FREER FROM THE THREAT OF TERROR, STRONGER IN THE PURSUIT OF JUSTICE, AND MORE SECURE IN THE QUEST FOR PEACE. ONE IN WHICH THE NATIONS OF THE WORLD, EAST AND WEST, NORTH AND SOUTH, CAN PROSPER AND LIVE IN HARMONY.

A HUNDRED GENERATIONS HAVE SEARCHED FOR THIS ILLUSIVE PATH TO PEACE, WHILE A THOUSAND WARS RAGED ACROSS THE SPAN OF HUMAN ENDEAVOR. BUT TODAY A NEW WORLD IS STRUGGLING TO BE BORN. A WORLD VERY DIFFERENT FROM THE ONE WE HAVE KNOWN. A WORLD WHERE THE RULE OF LAW SUPPLANTS THE RULE OF THE JUNGLE. A WORLD IN WHICH NATIONS RECOGNIZE THE SHARED RESPONSIBILITY FOR FREEDOM AND JUSTICE. A WORLD WHERE THE STRONG RESPECT THE RIGHTS OF THE WEAK.

THIS IS THE VISION I SHARED WITH PRESIDENT GORBACHEV IN HELSINKI. HE, AND OTHER LEADERS, UNDERSTAND THAT HOW WE MANAGE THIS CRISIS TODAY, WILL SHAPE THE FUTURE FOR GENERATIONS TO COME.

THE TEST WE FACE IS GREAT -- AND SO ARE THE STAKES. THIS IS THE FIRST ASSAULT ON THE POST-COLD WAR WORLD, THE FIRST TEST OF OUR METTLE. HAD WE NOT RESPONDED TO THIS FIRST PROVOCATION WITH CLARITY OF PURPOSE; IF WE DO NOT CONTINUE TO DEMONSTRATE OUR DETERMINATION; IT WOULD BE A SIGNAL TO A HALF-DOZEN DESPOTS AROUND THE WORLD. LET US TELL THE WORLD TONIGHT: A GREEN LIGHT TO AGGRESSION IS A SIGNAL WE WILL NEVER SEND.\\\\

VITAL ISSUES OF PRINCIPLE ARE AT STAKE. SADDAM HUSSEIN IS LITERALLY TRYING TO WIPE A COUNTRY OFF THE FACE OF THE EARTH.

I DO NOT EXAGGERATE.\\\

NOR DO I EXAGGERATE WHEN I SAY: <u>SADDAM WILL FAIL</u>.\\\

VITAL ECONOMIC INTERESTS ARE AT RISK AS WELL. IRAQ ITSELF CONTROLS SOME TEN PERCENT OF THE WORLD'S PROVEN OIL RESERVES. IRAQ PLUS KUWAIT CONTROLS TWICE THAT. AN IRAQ PERMITTED TO SWALLOW KUWAIT WOULD HAVE THE ECONOMIC AND MILITARY POWER, AS WELL AS THE ARROGANCE, TO INTIMIDATE AND COERCE ITS NEIGHBORS -- NEIGHBORS WHO CONTROL THE LION'S SHARE OF THE WORLD'S REMAINING OIL RESERVES. WE CANNOT PERMIT A RESOURCE SO VITAL TO BE DOMINATED BY SO RUTHLESS AND UNPRINCIPLED A POWER. AND WE WON'T.\\\

RECENT EVENTS HAVE SURELY PROVEN THAT THERE IS NO SUBSTITUTE FOR AMERICAN LEADERSHIP. IN THE FACE OF TYRANNY, LET NO ONE DOUBT AMERICAN CREDIBILITY AND RELIABILITY.\\\ WE WILL STAND BY OUR FRIENDS.\\\

LIKE A RECEDING TIDE, THE EBBING OF THE COLD WAR HAS REVEALED A FORGOTTEN LANDSCAPE, A LANDSCAPE OF ANCIENT ANIMOSITIES AND AMBITIONS. WE SHOULD NOT, WE CANNOT, ALLOW THE REDUCED POSSIBILITY OF SUPERPOWER CONFLICT TO BE REPLACED BY A NEW THREAT FROM LOCAL BULLIES AND THE TERRORISTS THEY BANKROLL.

WITH POWER MUST COME OBLIGATION AND RESPONSIBILITY.

ONE WAY OR THE OTHER, SADDAM HUSSEIN MUST LEARN THIS FUNDAMENTAL TRUTH.\\\

FROM THE OUTSET, ACTING HAND-IN-HAND WITH OTHERS, WE HAVE SOUGHT TO FASHION THE BROADEST POSSIBLE INTERNATIONAL RESPONSE TO IRAQ'S AGGRESSION. THE LEVEL OF WORLD COOPERATION AND CONDEMNATION OF IRAQ IS UNPRECEDENTED.

AMERICAN FORCES, AND THOSE OF A HOST OF NATIONS, ARE THERE AT THE REQUEST OF KING FAHD OF SAUDI ARABIA TO DETER AND IF NEED BE, TO DEFEND AGAINST ATTACK. MUSLIMS AND NON-MUSLIMS, ARABS AND NON-ARABS, SOLDIERS FROM TWENTY-SEVEN NATIONS, STAND SHOULDER-TO-SHOULDER, RESOLUTE AGAINST SADDAM'S TERRITORIAL AMBITIONS.

AND IN THE ARENA OF DIPLOMACY, WE CAN NOW POINT TO FIVE ((~~UNANIMOUS~~)) UNITED NATIONS SECURITY COUNCIL RESOLUTIONS THAT CONDEMN IRAQ'S AGGRESSION, CALL FOR IRAQ'S IMMEDIATE AND UNCONDITIONAL WITHDRAWAL, AND THE RESTORATION OF KUWAIT'S LEGITIMATE GOVERNMENT. THE UNITED NATIONS HAS ALSO EMPHATICALLY REJECTED IRAQ'S CYNICAL AND SELF-SERVING ATTEMPT TO ANNEX KUWAIT. FINALLY, THE U.N. HAS DEMANDED THE RELEASE OF ALL FOREIGN NATIONALS HELD HOSTAGE AGAINST THEIR WILL, IN CONTRAVENTION NOT ONLY OF INTERNATIONAL BUT OF HUMAN DECENCY ITSELF. PRIME MINISTER MARGARET THATCHER SAID IT ALL: "WE DO NOT BARGAIN OVER HOSTAGES. WE WILL NOT STOOP TO THE LEVEL OF USING HUMAN BEINGS AS BARGAINING (CHIPS). EVER."\\\

OF COURSE, OUR HEARTS ACHE FOR THE HOSTAGES AND THEIR FAMILIES. BUT OUR POLICY CANNOT CHANGE. <u>AMERICA AND THE WORLD WILL NOT BE TERRORIZED</u>.\\\

THE UNITED NATIONS IS BACKING UP ITS WORDS WITH ACTION. THE SECURITY COUNCIL HAS IMPOSED MANDATORY ECONOMIC SANCTIONS ON IRAQ, DESIGNED TO FORCE IRAQ TO RELINQUISH THE SPOILS OF ITS ILLEGAL CONQUEST. THE SECURITY COUNCIL HAS ALSO TAKEN THE DECISIVE STEP OF AUTHORIZING THE USE OF ALL MEANS NECESSARY TO ENSURE COMPLIANCE WITH THESE SANCTIONS.

TOGETHER WITH OUR FRIENDS AND ALLIES, SHIPS OF THE UNITED STATES NAVY ARE TODAY PATROLLING TO ENFORCE THE SANCTIONS. ARAB LEADERS I SPOKE WITH JUST YESTERDAY HAVE TOLD ME THAT THESE SANCTIONS ARE WORKING. NOW IT'S IRAQ'S TURN TO FEEL THE HEAT.\\\

WE CONTINUE TO HOPE THAT IRAQ'S LEADERS WILL RECALCULATE JUST WHAT THEIR AGGRESSION HAS COST THEM. THEY ARE CUT OFF FROM WORLD TRADE. UNABLE TO SELL THEIR OIL. AND ONLY A TINY FRACTION OF GOODS GETS THROUGH.

BUT THE COST OF LEADERSHIP CAN BE STEEP AS WELL. THAT'S WHY SECRETARY OF STATE BAKER AND SECRETARY OF THE TREASURY BRADY HAVE MET WITH MANY WORLD LEADERS TO UNDERSCORE THAT BURDEN OF THIS COLLECTIVE EFFORT MUST BE SHARED. IN PARTICULAR, IT IS ESSENTIAL THAT COUNTRIES COMPLYING WITH SANCTIONS BE COMPENSATED TO PREVENT SEVERE ECONOMIC HARDSHIP. WE ARE PREPARED TO DO OUR FAIR SHARE; WE INSIST OTHERS DO THE SAME.\\

I AM PLEASED TO REPORT THAT THE RESPONSE OF OUR FRIENDS AND ALLIES HAS BEEN GOOD. THE LEADERS OF SAUDI ARABIA, KUWAIT AND THE UNITED ARAB EMIRATES HAVE PLEDGED TO PROVIDE THOSE SUPPLYING TROOPS WITH ALL THE FOOD AND FUEL THEY NEED, AND TO DEFRAY OUR MILITARY COSTS. GENEROUS ASSISTANCE WILL ALSO BE PROVIDED TO STALWART FRONT-LINE NATIONS, SUCH AS TURKEY AND EGYPT.

I AM ALSO HEARTENED TO REPORT THAT THIS INTERNATIONAL RESPONSE EXTENDS TO THE NEEDS OF MANY REFUGEES. FOR OUR PART, WE HAVE CONTRIBUTED $28 MILLION FOR RELIEF EFFORTS. THIS IS BUT A SMALL PORTION OF WHAT IS NEEDED. I COMMEND, IN PARTICULAR, SAUDI ARABIA, THE JAPANESE AND SEVERAL EUROPEAN NATIONS WHO HAVE JOINED US IN THIS HUMANITARIAN EFFORT.

THERE IS ALSO AN ENERGY-RELATED COST TO BE BORNE AS WELL. WE ARE HARD AT WORK WITH OIL-PRODUCING NATIONS TO REPLACE LOST IRAQI AND KUWAITI OUTPUT. MORE THAN HALF OF WHAT WAS LOST HAS ALREADY BEEN MADE UP. IF PRODUCERS, INCLUDING THE UNITED STATES, CONTINUE STEPS TO EXPAND OIL AND GAS PRODUCTION, WE CAN STABILIZE PRICES. ADDITIONALLY, WE AND SEVERAL OF OUR ALLIES ALWAYS HAVE THE OPTION TO EXTRACT OIL FROM OUR STRATEGIC PETROLEUM RESERVES, IF CONDITIONS WARRANT. FINALLY, AS I HAVE POINTED OUT BEFORE, REASONABLE CONSERVATION EFFORTS ARE ESSENTIAL, AND LET NO ONE EVEN CONTEMPLATE PROFITEERING FROM THIS CRISIS.\\\

I CANNOT PREDICT JUST HOW LONG IT WILL TAKE TO CONVINCE SADDAM HUSSEIN TO WITHDRAW FROM KUWAIT. ALTHOUGH OUR POLICY IS IN PLACE, SANCTIONS MAY TAKE TIME TO HAVE THEIR INTENDED EFFECT. IF EVENTS SUGGEST THE NEED, THEN WE WILL LOOK AT ADDITIONAL OPTIONS. WHAT IS CERTAIN IS THAT WE WILL NOT LET THIS AGGRESSION BY IRAQ STAND.\\\

OUR INTEREST, AND OUR INVOLVEMENT, IN THE GULF, IS NOT TRANSITORY. BOTH OUR INTEREST AND OUR INVOLVEMENT PRE-DATED SADDAM HUSSEIN'S AGGRESSION, AND BOTH WILL SURVIVE IT. LONG AFTER OUR TROOPS COME HOME, AND I HOPE IT'S SOON, I CAN FORESEE A LASTING ROLE FOR THE UNITED STATES IN ASSISTING THE NATIONS OF THE PERSIAN GULF; A ROLE TO DETER FUTURE AGGRESSION, TO HELP OUR FRIENDS IN THEIR OWN SELF-DEFENSE, AND TO CURB THE PROLIFERATION OF CHEMICAL, BIOLOGICAL, MISSILE AND ABOVE ALL, NUCLEAR TECHNOLOGIES.\\\

LET ME ALSO MAKE CLEAR THAT THE UNITED STATES HAS NO QUARREL WITH THE IRAQI PEOPLE. OUR QUARREL IS WITH IRAQ'S DICTATOR, AND WITH HIS AGGRESSION. THAT IS WHY I ACCEPTED AN INVITATION TO ADDRESS THE PEOPLE OF IRAQ. THE MESSAGE WILL BE SIMPLE, AND IT IS A MESSAGE CONVEYED BY MUCH OF THE WORLD: IRAQ MUST WITHDRAW FROM KUWAIT. IRAQ WILL NOT BE PERMITTED TO ANNEX KUWAIT. THE USE OF FORCE BY IRAQ TO ACHIEVE ITS AMBITIONS IS UNACCEPTABLE. NO ONE IN IRAQ SHOULD DOUBT OUR DETERMINATION, OUR RESOLVE, OR OUR ABILITY TO TRANSLATE THESE WORDS INTO FACT. THIS IS NOT A THREAT OR A BOAST, JUST THE TRUTH.\\\

I ALSO WANT TO USE THIS OCCASION TO SAY SOME THINGS TO THE AMERICAN PEOPLE. OUR ABILITY TO FUNCTION EFFECTIVELY AS A GREAT POWER ABROAD DEPENDS DIRECTLY UPON HOW WE CONDUCT OURSELVES HERE AT HOME. OUR ECONOMY, OUR ARMED FORCES, OUR ENERGY DEPENDENCE, AND OUR COHESION WILL ALL DETERMINE WHETHER WE ARE IN A POSITION TO HELP OUR FRIENDS AND STAND UP TO OUR FOES.

IN ORDER FOR AMERICA TO LEAD, AMERICA MUST BE STRONG AND VITAL. OUR WORLD LEADERSHIP AND DOMESTIC STRENGTH ARE NOT SEPARATE DOMAINS -- THEY ARE MUTUAL AND REINFORCING; THEY ARE A WOVEN PIECE, AS STRONGLY BOUND AS OLD GLORY.

WE MUST GET OUR ECONOMIC HOUSE IN ORDER AT HOME IF WE ARE TO HAVE THE CAPACITY TO PROMOTE INTERNATIONAL ORDER ABROAD. TO PROVIDE THAT CAPACITY WE MUST ADDRESS OUR BUDGET DEFICIT NOW -- NOT AFTER ELECTION DAY, OR NEXT YEAR, BUT NOW.\\ IT IS TIME WE PULL TOGETHER -- AND GET THE JOB DONE RIGHT.

THE EFFECTS OF HIGHER OIL PRICES, SLOWER GROWTH AND HIGHER DEFENSE COSTS WILL ONLY MAKE OUR FISCAL DEFICIT PROBLEM WORSE. IT WAS ALREADY WORSE THAN IT SHOULD HAVE BEEN -- AT A PROJECTED $232 BILLION FOR THE COMING YEAR. THIS, TOO, CANNOT STAND.\\\ OMB

THE CONGRESS SHOULD ACT THIS VERY MONTH -- BEFORE THE NEXT FISCAL YEAR BEGINS -- TO GET OUR ECONOMIC AFFAIRS IN ORDER. IF ANYONE NEEDS AN ADDITIONAL REASON TO ACT, THE IRAQI SITUATION CAN HELP FOCUS THE MIND. WE ARE MORE VULNERABLE ECONOMICALLY THAN WE EVER SHOULD BE. AMERICANS MUST NEVER AGAIN ENTER ANY CRISIS -- ECONOMIC OR MILITARY -- WITH AN EXCESSIVE DEPENDENCE ON FOREIGN OIL AND AN EXCESSIVE BURDEN OF FEDERAL DEBT.\\\\

MOST AMERICANS ARE SICK AND TIRED OF ENDLESS BATTLES BETWEEN THE CONGRESS AND THE ADMINISTRATION OVER ECONOMIC POLICY. IT IS TIME FOR US TO PULL TOGETHER -- AND GET THE JOB DONE RIGHT. IT IS UP TO US TO STRAIGHTEN THIS OUT. THE JOB FOR THE CONGRESS HAS FOUR BASIC PARTS.

FIRST: THE CONGRESS SHOULD, THIS MONTH, ENACT GROWTH-ORIENTED TAX MEASURES -- TO HELP AVOID RECESSION IN THE SHORT TERM; AND TO INCREASE SAVINGS, INVESTMENT, PRODUCTIVITY AND COMPETITIVENESS FOR THE LONGER TERM. SPECIFICALLY, THE CONGRESS SHOULD EXTEND INCENTIVES FOR RESEARCH AND EXPERIMENTATION; EXPAND THE USE OF IRAS FOR NEW HOMEOWNERS; ESTABLISH TAX-DEFERRED FAMILY SAVINGS ACCOUNTS; CREATE INCENTIVES FOR THE CREATION OF ENTERPRISE ZONES; AND, YES, REDUCE THE TAX RATE FOR CAPITAL GAINS.\\\\

I KNOW A MINORITY IN THE CONGRESS LIKES TO SAY THAT A CAPITAL-GAINS RATE CUT LOOKS UNFAIR ON SOME TAX EXPERT'S DISTRIBUTION TABLE. BUT LET ME SAY WHAT'S UNFAIR FOR MOST AMERICANS: RECESSION IS UNFAIR.\\ THE LOSS OF A JOB IS UNFAIR.\\

THE LOSS OF AMERICAN COMPETITIVENESS IS UNFAIR.\\ SO, FOR THOSE WHO CARE ABOUT FAIRNESS -- AND I AM ONE -- I SAY: DON'T HOLD AMERICA BACK. DON'T HOLD AMERICANS BACK. LET THIS ECONOMY GROW.\\\

SECOND: THE CONGRESS SHOULD, THIS MONTH, ENACT A PRUDENT MULTI-YEAR DEFENSE PROGRAM -- ONE THAT REFLECTS BOTH THE IMPROVEMENT IN EAST-WEST RELATIONS, AND THE CONTINUING RISKS OF OUTLAW ACTION AND REGIONAL CONFLICT, AS REPRESENTED MOST VIVIDLY NOW BY IRAQ. EVEN WITH IRAQ, THE DEFENSE BUDGET CAN DECLINE IN REAL TERMS. I AM PREPARED TO ACCEPT THAT. BUT THERE IS A POINT WHERE CUTTING DEFENSE WOULD THREATEN A VITAL MARGIN OF SAFETY. GIVEN MY CONSTITUTIONAL OBLIGATION AS COMMANDER-IN-CHIEF, THAT IS SOMETHING I CAN NEVER ACCEPT.\\\

THE WORLD IS STILL DANGEROUS. SURELY THAT IS NOW CLEAR. STABILITY IS NOT SECURE. AMERICAN INTERESTS ARE FAR-REACHING. INTER-DEPENDENCE HAS INCREASED. THE CONSEQUENCES OF REGIONAL INSTABILITY CAN BE GLOBAL. THIS IS NO TIME TO TRIFLE WITH AMERICA'S CAPACITY TO PROTECT HER VITAL INTERESTS.

THIRD: THE CONGRESS SHOULD, THIS MONTH, ENACT MEASURES TO INCREASE DOMESTIC ENERGY PRODUCTION AND ENERGY CONSERVATION -- IN ORDER TO REDUCE DEPENDENCE ON FOREIGN OIL. ~~THIS~~ THESE MEASURES SHOULD INCLUDE MY PROPOSALS TO INCREASE INCENTIVES FOR DOMESTIC OIL AND GAS EXPLORATION, AND TO ACCELERATE THE DEVELOPMENT OF ALASKAN ENERGY RESOURCES, WITHOUT DAMAGE TO WILDLIFE. ((INSERT TO COME FROM DARMAN: NEW MEASURES, INCLUDING TAX MEASURES.))

WHEN THE OIL EMBARGO WAS IMPOSED IN THE EARLY 1970'S, THE UNITED STATES IMPORTED ~~((NUMBER))~~ ALMOST SIX MILLION BARRELS OF OIL PER DAY. THIS YEAR, BEFORE THE IRAQI INVASION, U.S. IMPORTS HAD RISEN TO ~~((NUMBER))~~ NEARLY EIGHT BARRELS PER DAY. WE HAD MOVED IN THE WRONG DIRECTION. NOW WE MUST ACT TO CORRECT THAT TREND -- SO THAT OUR VULNERABILITY DOES NOT INCREASE AGAIN.

FOURTH: THE CONGRESS SHOULD, THIS MONTH, ENACT A FIVE-YEAR PROGRAM TO REDUCE THE PROJECTED DEFICITS AND DEBT BY $500 BILLION -- THAT IS, BY HALF A TRILLION DOLLARS.\\\ IF CONGRESS PRESENTS ME WITH A SATISFACTORY PROGRAM BY THE END OF THE MONTH, THAT WOULD BE IN TIME TO AVOID THE CLUMSY AXE OF "SEQUESTER" -- DEEP ACROSS-THE-BOARD CUTS THAT WOULD OTHERWISE THREATEN OUR MILITARY CAPACITY AND RISK SUBSTANTIAL DOMESTIC DISRUPTION.

BUT TO BE SATISFACTORY, A DEFICIT PROGRAM MUST HAVE THESE CHARACTERISTICS:

*** IT MUST INCLUDE THE MEASURES I'VE RECOMMENDED TO INCREASE ECONOMIC GROWTH AND REDUCE DEPENDENCE ON FOREIGN OIL.

** IT MUST BE BALANCED. ALL SHOULD CONTRIBUTE, BUT THE BURDEN OF CONTRIBUTIONS SHOULD NOT BE EXCESSIVE TO ANY ONE GROUP OF PROGRAMS OR PEOPLE.

*** IT SHOULD REACH BEYOND THE VISIBLE PARTS OF THE BUDGET AND BEGIN TO CONTROL THE GOVERNMENT'S EXPANDING CREDIT PROGRAMS AND HIDDEN LIABILITIES.

*** IT SHOULD REFORM THE BUDGET PROCESS, AND FURTHER: THE CONGRESS SHOULD PRESENT THE COMPREHENSIVE FIVE-YEAR DEFICIT REDUCTION PROGRAM TO ME AS A SINGLE LEGISLATIVE PACKAGE -- WITH MEASURES TO ASSURE THAT IT CAN BE FULLY ENFORCED. THE AMERICAN PEOPLE ARE TIRED OF PHONEY DEFICIT REDUCTION ON THE PROMISE-NOW, SAVE-LATER-PLAN. ENOUGH IS ENOUGH. IT IS A TIME FOR A PROGRAM THAT IS CREDIBLE AND REAL.\\\

*** FINALLY, TO THE EXTENT THAT THE DEFICIT REDUCTION PROGRAM INCLUDES NEW REVENUE MEASURES, IT MUST AVOID ANY MEASURE THAT WOULD THREATEN ECONOMIC GROWTH OR TURN US BACK TOWARD HIGHER INCOME TAX RATES. THAT IS ONE PATH WE SHOULD NOT HEAD DOWN AGAIN.\\\

TO THE CONGRESSIONAL MEMBERS OF THE BUDGET SUMMIT, I SAY: I FIRST CALLED FOR NEGOTIATIONS MANY MONTHS AGO. THE NEGOTIATIONS HAVE ALREADY DRAGGED ON TOO LONG. I HAVE PUT SEVERAL SPECIFIC BUDGET PLANS ON THE TABLE. I HAVE COMPROMISED, AND COMPROMISED AGAIN. SOME OTHERS HAVE, AS WELL, AND I APPRECIATE THAT.

BUT NOW IT IS TIME TO PRODUCE.\\\

I HOPE THE CONGRESSIONAL LEADERS WILL AGREE ON A RESPONSIBLE PLAN. BUT WITH OR WITHOUT AGREEMENT, I ASK BOTH HOUSES OF THE CONGRESS TO ALLOW A STRAIGHT UP-OR-DOWN VOTE ON A $500 BILLION DEFICIT REDUCTION PACKAGE -- NOT LATER THAN SEPTEMBER 28.

IF THE CONGRESS FAILS TO FULFILL ITS RESPONSIBILITY, AMERICANS WILL THEN HAVE TO FACE SEQUESTER, INCREASED RISK OF RECESSION, AND PERHAPS INCREASED MILITARY RISKS ABROAD. IF, ON THE OTHER HAND, THE CONGRESS RESPONDS FAVORABLY, WE WILL AT LAST, HAVE PUT OURSELVES ON THE RIGHT COURSE HERE AT HOME.

I AM HOPEFUL THAT, IN THIS CONTEXT, THE CONGRESS WILL DO WHAT IT SHOULD.

IN THE FINAL ANALYSIS, OUR ABILITY TO MEET OUR RESPONSIBILITIES ABROAD DEPENDS UPON POLITICAL WILL AND CONSENSUS AT HOME. THIS IS NEVER EASY IN DEMOCRACIES WHERE WE GOVERN ONLY WITH THE CONSENT OF THE GOVERNED. AND FREE PEOPLE IN A FREE SOCIETY ARE BOUND TO HAVE THEIR DIFFERENCES. AMERICANS TRADITIONALLY COME TOGETHER IN TIMES OF ADVERSITY AND CHALLENGE. ONCE AGAIN, AMERICANS HAVE STEPPED FORWARD TO SHARE A TEARFUL GOODBYE WITH THEIR FAMILIES BEFORE LEAVING FOR A STRANGE AND DISTANT SHORE. AT THIS VERY MOMENT, THEY SERVE TOGETHER WITH ARABS, EUROPEANS, ASIANS AND AFRICANS IN DEFENSE OF PRINCIPLE AND THE DREAM OF A NEW WORLD ORDER. THAT IS WHY THEY SWEAT AND TOIL IN THE SAND AND THE HEAT AND THE SUN.

IF THEY CAN COME TOGETHER UNDER SUCH ADVERSITY; IF OLD ADVERSARIES LIKE THE SOVIET UNION AND THE UNITED STATES CAN WORK IN COMMON CAUSE; THEN SURELY WE WHO ARE SO FORTUNATE TO BE IN THIS GREAT CHAMBER -- DEMOCRATS, REPUBLICANS, LIBERALS, CONSERVATIVES -- CAN COME TOGETHER TO FULFILL OUR RESPONSIBILITIES HERE.\\\

THANK YOU, GOOD NIGHT, AND GOD BLESS AMERICA.

# # #

PD— 1:45

Call

Greg Martin @ DOD Pub Affs.

697-9143

United States Net Oil Imports

Daily Average For The Year

Source: **U.S. Department of Energy/Energy Information Administration**

Contact: **Vito Stagliano (586-5325)**

1973 **5.9 million barrels a day**

34.3% of U.S. consumption

The Arab Oil Embargo followed the Arab-Israeli War in October 1973. Import figures from the embargo period (October-December) are factored into the yearly average, but DOE states they do not significantly alter the average because the U.S. received increased oil supplies from other foreign sources during the embargo period.

1978 **8 million barrels a day**

42% of U.S. consumption

1978 was the last year of uninterrupted oil supply from the mideast prior to the 1989 Iranian revolution and the 1980 Iranian-Iraqi war.

1990 (1/1/90-8/1/90) **7.8 million barrels a day**

45.6% of U.S. consumption

September 9, 1990
Helsinki

JOINT STATEMENT OF THE UNITED STATES AND THE SOVIET UNION

With regard to Iraq's invasion and continued military occupation of Kuwait, President Bush and President Gorbachev issue the following joint statement:

We are united in the belief that Iraq's aggression must not be tolerated. No peaceful international order is possible if larger states can devour their smaller neighbors.

We reaffirm the joint statement of our Foreign Ministers of August 3, 1990 and our support for United Nations Security Council Resolutions 660, 661, 662, 664 and 665. Today, we once again call upon the Government of Iraq to withdraw unconditionally from Kuwait, to allow the restoration of Kuwait's legitimate government, and to free all hostages now held in Iraq and Kuwait.

Nothing short of the complete implementation of the United Nations Security Council Resolutions is acceptable.

Nothing short of a return to the pre-August 2 status of Kuwait can end Iraq's isolation.

We call upon the entire world community to adhere to the sanctions mandated by the United Nations, and we pledge to work, individually and in concert, to ensure full compliance with the sanctions. At the same time, the United States and the Soviet Union recognize that UN Security Council Resolution 661 permits, in humanitarian circumstances, the importation into Iraq and

Kuwait of food. The Sanctions Committee will make recommendations to the Security Council on what would constitute humanitarian circumstances. The United States and the Soviet Union further agree that any such imports must be strictly monitored by the appropriate international agencies to ensure that food reaches only those for whom it is intended, with special priority being given to meeting the needs of children.

Our preference is to resolve the crisis peacefully, and we will be united against Iraq's aggression as long as the crisis exists. However, we are determined to see this aggression end, and if the current steps fail to end it, we are prepared to consider additional ones consistent with the UN Charter. We must demonstrate beyond any doubt that aggression cannot and will not pay.

As soon as the objectives mandated by the UN Security Council resolutions mentioned above have been achieved, and we have demonstrated that aggression does not pay, the Presidents direct their Foreign Ministers to work with countries in the region and outside it to develop regional security structures and measures to promote peace and stability. It is essential to work actively to resolve all remaining conflicts in the Middle East and Persian Gulf. Both sides will continue to consult each other and initiate measures to pursue these broader objectives at the proper time.

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HEADLINE: The Center Holds -- for Now;

The unified march of Baghdad's opponents has evoked awe around the globe, but both bloodshed and a lengthy stalemate would test its cohesion

BYLINE: By LISA BEYER;

Reported by Dean Fischer/Cairo, William Mader/London and Christopher Redman/Paris

BODY:

Backed further and further into a corner, Saddam Hussein has applied his energies to splintering the motley alliance of nations mustered against him. He attempted to paralyze some Western countries by making hostages of the foreign nationals caught in his grip. He sought to fragment his fellow Arabs by pitting the poor against the rich. He tried to crack the global economic sanctions imposed against him by making a hasty and generous peace with Iran. And he attempted to exploit anti-Americanism, always a potent force, by casting U.S. intervention in the gulf as a case of Yankee imperialism run amuck.

So far, Saddam's tactics have failed. Rather than unravel, the anti-Baghdad coalition knitted itself more tightly last week. After two weeks of sometimes intense dickering, the U.N. Security Council voted 13 to 0, with Yemen and Cuba abstaining, to authorize "such measures commensurate to the specific circumstances" to enforce the sanctions voted against Iraq four days after the invasion. At Soviet insistence, the phrase "minimum use of force" was dropped, but that is still what the new, vaguer language means. With five dissent-free votes condemning Iraq in three weeks, the Security Council has taken on surprising new life as an international policeman.

All week long, however, China and the Soviet Union, either of which could have vetoed the measure, resisted a precipitate decision. Beijing considered abstaining, because it likes to portray itself as a champion of the Third World against the superpowers and of the Arabs against Israel. Yet China wanted to support the West in order to help repair its image, shattered by last year's anti-democracy massacre in Beijing. In the end, China voted with the majority.

The Soviets were wary of a strictly military solution to the crisis, and considered that the U.S. was moving too far, too fast. The Kremlin has been harshly critical of Baghdad. Gorbachev, who cut his August vacation short to deal with his country's economic problems, publicly lambasted Saddam's "perfidy and blatant violation of international law." What's more, Soviet officials reportedly gave visiting Iraqi Deputy Prime Minister Saadoun Hammadi a dressing down over the hostage affair. But Moscow is not keen to see a military solution -- which the U.S. would clearly dominate -- rule out a diplomatic one, for which the Soviets might be key. Aside from Hammadi, Moscow has played host to Saudi special envoy Prince Bandar Bin Sultan, and has dispatched diplomats to Iraq by way of Syria, Egypt, Libya and Jordan. The Soviets want to preserve

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their position as potential peacemaker, as well as their 30-year relationship with Iraq.

Moscow's hemming and hawing may also have been a plea for attention. There was a palpable sense of injured pride in Moscow when the U.S. ignored the Soviet view and launched its unilateral police action in the gulf. "The possibilities for joint action should have been given more consideration," said Soviet Middle East expert Igor Belyayev. Finally, however, the Soviets lost patience with Saddam. On Friday Gorbachev issued an ultimatum: Withdraw from Kuwait or face "additional measures" from the U.N. Since Saddam was clearly not giving in, the way was cleared for Soviet support of an international blockade.

The U.S. contention that force was necessary to make the sanctions stick gained credibility last week. According to White House spokesman Marlin Fitzwater, Iraq was getting round the prohibitions to obtain military materiel as well as supplies used in the production of chemical weapons. Other Administration officials say the countries responsible include Libya, Yemen, Taiwan and South Africa. Yemen had earlier indicated that it would live up to its reluctant promise to abide by the embargo. It did allow one Iraqi tanker to unload at the port of Aden, but in response to international pressure it later refused to allow two others to discharge their cargo.

Meanwhile, Jordan continued to dither. Iraqi oil was still being trucked into the country in return for shipments of Jordanian goods. While King Hussein has said his country would abide by the sanctions, it has yet to comply. Jordan did close its borders briefly -- to refugees from the gulf. Its facilities have been overwhelmed by the 210,000 who have escaped so far; most of them remained in the country, with little food, water or money, because of a shortage of outgoing boats and planes. After the U.S. and the European Community agreed to rush emergency food, medicine and clothes to the refugees, Amman relented, saying it would limit the influx to 20,000 people a day.

President Bush fared better on other fronts in his campaign to muster as much global support as possible. The major powers of Europe, in an unprecedented display of cohesion, voted collectively to send more warships to the trouble zone, a decision that will bring the strength of the international armada up to nearly 100 vessels. Iran repeated its pledge to abide by the trade embargo, belying predictions it would serve as a back door for Iraqi trade.

But how long will that line hold? Either of the obvious prospects for the future -- a prolonged standoff or the outbreak of war -- would be almost certain to unleash centrifugal forces on the fragile united front. "With stock markets crashing, higher oil costs, hostages in danger and voters calling for quick solutions, governments everywhere will be hard pressed to keep their nerve," says a NATO diplomat in Brussels. And that is to say nothing of the demoralizing effects of young people returning home maimed or zippered into body bags.

The unified march of Saddam's opponents has so far evoked awe around the globe, especially given the signs of fissure that emerged almost from the start. Many nations were simply uncertain how far military vs. diplomatic action should go. The fractures deepened when the U.S. rode out ahead of the posse by unilaterally declaring a blockade of Iraq. That, said most world powers, was a matter strictly for the U.N.

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Soon enough, though, Saddam himself provided an antidote to dissent. By making the outrageous decision to confine foreigners trapped in Iraq and Kuwait to locations that would be likely to be targeted by an attacking force, Saddam drew the countries aligned against him closer together. "It's a losing policy," said British Foreign Secretary Douglas Hurd. "It was designed to weaken European resolve. It has had the opposite effect." Hurd's boss was more outspoken. Saddam's attempt to "hide behind Western women and children" was "utterly repulsive," said Prime Minister Margaret Thatcher. Privately, Thatcher told aides she was determined "to bring that repulsive filth of a man down." Underscoring the global refusal to yield to Baghdad's bullying, 30 of the 66 countries with embassies in Kuwait defied Saddam's order last week to close their missions.

Saddam also tried to divide and conquer. At one stage, France appeared to be working behind the scenes on a deal for preferential treatment of its citizens trapped in Iraq, presumably in exchange for a promise to soften its opposition to Baghdad. Those reports sparked agitated muttering in other Western capitals, where France's past record of bargaining for hostages is all too well known. But Paris passionately denied that it was playing a "solo game." In any case, when 27 French nationals in Iraq were forcibly relocated to unknown sites, it became clear that no special deal was in the offing.

Then, in a startling about-face, President Francois Mitterrand came out firmly in support of blockading the renegade state, with or without the U.N.'s O.K. Mitterrand also announced that France would send a squadron of 180 paratroopers to the United Arab Emirates, making it the only Western country aside from the U.S. and Britain to commit troops on the ground.

France's reversal on the blockade controversy gave momentum to the British-American push for a U.N. endorsement of the interdiction effort, something both powers stressed they welcomed but did not need in order to go ahead with naval operations. More support came from the Western European Union (WEU), a security grouping of nine of NATO's 16 members. Last week they voted to increase Europe's military presence in the gulf region, and agreed to take "all necessary steps to comply with the embargo of Iraq." The same day E.C. foreign ministers unanimously adopted the identical position.

Until now, the European countries have hesitated to back Washington fully, even though they depend more on Middle East oil than the U.S. does. Last week's spurt of resolve came just in time to save continental governments from appearing totally pusillanimous not only in the eyes of Washington but also in European public opinion. In general, Europeans have been enormously supportive of the tough U.S. approach. Remarked an American diplomat in London: "It's a funny feeling, not having abuse heaped at you."

Saddam's truculent behavior even strengthened Arab opposition in some quarters. Syria, a longtime enemy of Saddam's, announced that it would dispatch additional troops to Saudi Arabia. At the same time, the United Arab Emirates, Oman and Bahrain expanded existing U.S. basing rights, while Qatar granted them for the first time.

Like the U.S., Saddam's other opponents hope that Iraq can be forced out of Kuwait through economic strangulation. But for the noose to hold, that had better happen relatively quickly. Already, war jitters are convulsing world markets, wiping huge chunks off the value of U.S., Japanese and European

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stocks. The cost to the West of a protracted standoff would be inflated by the numerous aid commitments made last week to poorer Arab countries such as Jordan and Egypt. As the price tag climbs, popular opposition to the anti-Saddam effort may multiply. Some petro-nations like Saudi Arabia, Venezuela and Mexico have promised to buffer Western economies by pumping more oil, but the gyrating markets do not seem confident that that will help enough.

For the Arabs ranged alongside the West, a prolonged stalemate has an added pitfall: the inevitable rise in resentment over the presence of American troops. For now, the Saudis, Egyptians and others have made a virtue of necessity. But the domineering role of the West, inextricably linked with past Arab humiliations, is all too likely to arouse animosity over time.

Some political analysts believe the anti-Saddam league actually stands a better chance of surviving intact if hostilities break out, depending on how they get started. "A military exchange would strengthen solidarity because the hostages would be endangered, and this affects almost all Western countries," says Thomas Koszinowski, deputy head of the German Orient Institute in Hamburg. "But if the conflict is viewed as deliberately provoked not by Iraq but by the U.S., its Western partners would hold back." Of all the dangers to the coalition, the gravest might be a unilateral decision by the U.S. to initiate war in an impetuous way. To avoid that scenario, Bush must continue to be as solicitous as possible of allied opinion and try to seek a consensus, preferably through the U.N., before undertaking any major action.

Paradoxically, unity would also be imperiled by an unexpected peace. "What happens if Saddam is persuaded to pull out of Kuwait, yet retains his army, his ambitions and a good deal of resentment?" asks a senior European adviser at the WEU meeting in Paris. "Some countries may be tempted to say, 'We can all go home,' and pretend the crisis is over, while others will not want to leave the gulf until Saddam Hussein is neutralized."

Analysts in Europe's defense establishment argue that there can be no end to the current crisis until Saddam is overthrown and Iraq's military machine and nascent nuclear program are dismantled. That could mean countenancing action in the gulf that goes way beyond the restoration of the status quo ante. "Once we start to contemplate that kind of action," says a NATO diplomat, "there will be a rush for the exit." Maybe. But perhaps by then, all those ranged against Saddam will see they have no other choice.

GRAPHIC: Picture 1, Egyptian troops en route to Saudi Arabia: though Saddam tried to splinter them, his opponents have closed ranks descColor., EGYPTIAN MINISTRY OF DEFENSE; Picture 2, French nationals trapped in Baghdad's Al Rasheed Hotel hang out beside the pool Saddam's bid to paralyze Western countries by seizing hostages has backfired. descColor., SYGMA; Picture 3, Cargo and refugees cross into Ruweished on the Jordanian side of the Iraqi border Amman said it would stop the flow of people and enforce the U.N. sanctions, but it did neither. descColor., CHIP HIRES -- GAMMA LIAISON

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By David B. Ottaway
Washington Post Foreign Service

HAHRAN, Saudi Arabia, Sept. 5—A
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gation, showing a depth of emotion in his praise of the American people and government that the sources said they had never before seen in him.

Fahd reportedly also assured them that Saudi Arabia intends to make a major contribution to the cost of the U.S. military buildup here. "I don't think the financial aspect of this issue will be a problem," he said, according to the sources. "We will reach a satisfactory arrangement that will please everybody."

Perhaps the most revealing result of the tremors that swept through the ruling House of Saud on Aug. 2, the day Iraq invaded Kuwait and sent its army southward toward the Saudi border, was the speed with which the royal family came to the momentous decision to invite non-Moslem, American forces into sites, Mecca and Medina.

"I never believed the kingdom of Saudi Arabia would react so quickly," remarked Lt. Gen. Khalid bin Sultan, the Saudi commander in charge of Arabic and Islamic forces in the military buildup here.

For Saudi Arabia's rulers, the realization that morning that Iraqi President Saddam Hussein had actually marched his formidable army into Kuwait City was what one Western diplomat here called their "ultimate nightmare."

"We never thought Saddam would do what he is doing to us. We are still in shock. We wake up every morning and say, 'Maybe I was in a bad dream,' " said Prince Abdullah bin Faisal, a prominent royal family member

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Prince George's Man With a Plan

Glendening Patterns His Life on Setting—and Meeting—Goals

By Marilyn W. Thompson
Washington Post Staff Writer

Not long after his father died, Parris N. Glendening found himself confined to a hospital bed on a diet of Maalox and cream. He was working two jobs, writing a dissertation and coming to terms with his personal pain when he began hemorrhaging from a stomach ulcer.

His doctor offered a stern warning: a lifetime of internalized stress, of stretching himself to meet rigorous self-imposed goals, was quietly killing him. He was 23 years old.

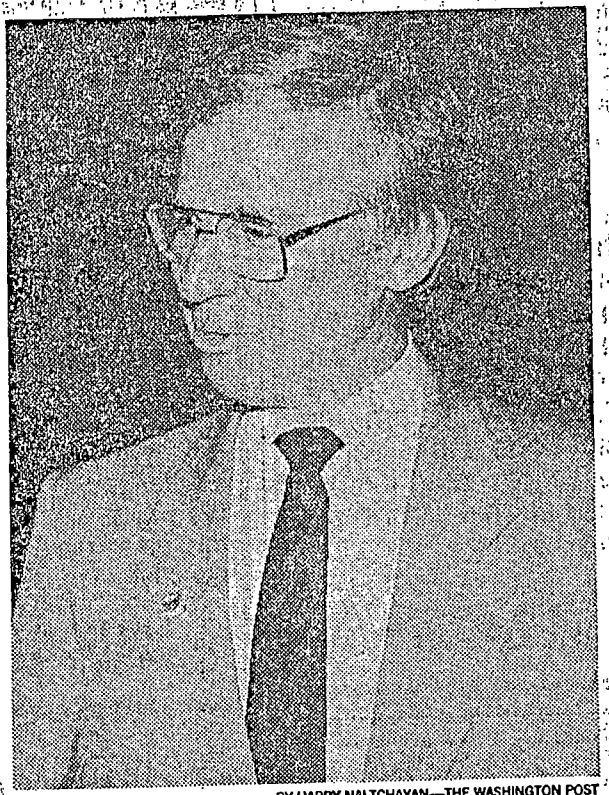
Glendening decided to change his ways.

Each day would have a manageable schedule, a rule so strictly enforced that even now, his secretary pencils in "family time" in his official calendar. His life would be structured around a series of goals, each carefully weighed and analyzed, with an appropriate fallback position.

"Someone once said, 'You've got to know where you're going or how will you know when you get there.' You've got to know what it is you want to do, or how will you know if you've ever achieved anything," Glendening said.

Right now, Glendening's goal is to win election to a third term as the executive of Prince George's County.

With a campaign chest of $750,000, he is consid-



BY HARRY NALTCHAYAN—THE WASHINGTON POST

Prince George's County Executive Glendening, pleased

CRISIS IN THE G

Gulf Crisis Could Transform Conservative Saudi Society

SAUDIS, From A1

and manager of the kingdom's most important industrial expansion project.

Saudi and Western sources here say that by the time Defense Secretary Richard B. Cheney brought satellite photos of massive, threatening Iraqi troop concentrations to show Fahd on Aug. 6, the royal family already had decided to ask for American help.

Prince Sultan, the defense minister and third-ranking member in the royal hierarchy, is widely said by Saudis to have been the strongest advocate of bringing in the Americans to counter the Iraqi threat, probably because he would have been the most aware of the kingdom's military unpreparedness.

Fahd is said to have been initially hesitant, worried about the repercussions in the Arab world of a possible American attack on another Arab country from Saudi soil. "The king was the last to be convinced," one royal family member said.

Still, there was reportedly a stark awareness within the royal family that they had no choice but to invite the Americans, because no other Arab or Western ally could get its forces here quickly enough to give Saddam second thoughts about invading the kingdom.

"There wasn't any Arab way to do it," said a close observer of the royal family.

A number of senior Saudi officers and officials said they were convinced Saddam intended to keep his army marching south and that it could roll down the undefended main north-south highway and oc-

BY DAVE COOOK—THE WASHINGTON POST

the decision to call in non-Moslem troops.

Even Christians and atheists, he said, stood to be rewarded for their "good deeds" in helping to defend the kingdom—home of Islam's most conservative sect, the Wahhabis.

But the likelihood that American troops might be stationed here for several years does not seem to have sunk in yet, because most Saudis are still reeling from the impact of

cause it directly assailed the religious legitimacy of the Saud family and because there are 300,000 Shiites here in the Eastern Province.

For all these leftist and religious challenges, Saudi society has emerged largely intact, still highly conservative and with the rule of its royal family intact.

Now, it is facing another kind of challenge: confronting Saddam's imperial ambitions and handling

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QUOTES

① THATCHER: "We are dealing w/ a dictator who is an absolute tyrant ... This man is a despot & a tyrant & must be stopped." (said on Aug 26?)
WT Aug 28, 90 A.

② THATCHER: "There is no negotiation w/a person who by force has taken someone else's country."
(on 8/29) in WT 8/29

③ THATCHER: "We do not bargain over hostages... We will not stoop to the level of using human beings as bargaining counters. Ever." said when?
in WT 8/24

DRAFT 1

PRESIDENTIAL REMARKS: ADDRESS TO JOINT SESSION OF CONGRESS
U.S. CAPITOL
SEPTEMBER 11, 1990
9:00 P.M.

Mr. President, Mr. Speaker, Members of the Congress, distinguished guests, fellow Americans, thank you.

We gather here this evening while brave members of the armed forces of the United States stand in harms way -- side by side with the armed forces of more than twenty other nations, in the distant desert and on distant seas. They are there and we meet here, in the aftermath of an outrage: Iraq's invasion, then occupation, of Kuwait.

Our response has been firm and clear, as it must be in times like these. And times like these also remind us of far greater risks and sacrifices than any we are called to make in Washington. It is the men and women of our armed forces, all volunteers to service, who leave their posts and careers, their families and loved ones, to meet this challenge halfway around the world.

On behalf of all Americans, I want to express our deepest thanks to those who keep America safe and who make America great.

Let us also return a salute to the military leaders with us tonight -- the first-class professionals of the Joint Chiefs of Staff. General Powell, Chiefs, what a magnificent job you have done.

The response of all the men and women of the United States Armed Forces over the past few weeks has been nothing short of heroic.

In the face of danger, they are brave. In trying circumstances, their morale is excellent. Helping to keep the world free from further aggression, they make us all proud.

I wish I could say their work is done. But we all know it isn't.

And, let me also thank you all -- Democrats, Republicans, and independents alike -- and all Americans -- for your unity of purpose, and for your support of our actions in the face of aggression.

My purpose tonight is to talk to you about what is at stake, what we are doing and why. I also want to point out what we must do to prevail -- not just abroad, but here at home as well. For foreign policy and domestic policy are not distinct. We are one people, with a broad set of interests to be served by our foreign and domestic policies.

Our objectives are clear, our goals defined and familiar:

- Iraq must withdraw from Kuwait completely, immediately, and without condition.
- Kuwait's legitimate government must be restored.
- The security and stability of the Persian Gulf must be assured.
- And, American citizens and interests must be protected.

I want to say at the outset that these objectives are not ours alone. Other countries share our concern for principle. Other countries have a stake in Persian Gulf stability. And other countries share the heartfelt concern for their men, women, and children held hostage. It is not Iraq against the United States. It is Iraq against the world.

I come before you tonight having just returned from Helsinki, from my very productive meetings with Soviet President Gorbachev. Our joint statement underscores our mutual commitment to counter this threat to peace.

This public declaration is truly an historic venture. Just imagine how different this crisis would be if, as in decades past, a dictator like Saddam has been able to count upon the Soviet Union and East-West confrontation to inhibit an international response to his aggression. Try to conceive of what we and our allies would now face if the machinery of the United Nations were still disrupted by the divisions of the Cold War.

But, ladies and gentlemen, the Cold War is over. And in this crisis -- as grave as it is -- we see the chance to craft the framework of a new world order. One in which the cooperative mutual interest of countries East and West -- North and South -- can be realized. President Gorbachev understands that how we -- together with others -- manage this crisis will speak volumes about our ability to make the international system of the future different from those of the past. The test we face is great --

and so are the stakes -- for we seek a community of international responsibility. A new world: One in which the rule of law flourishes and in which no state can count on naked aggression for its own selfish unilateral gain. A new world in which nations recognize the responsibility we all share for freedom and justice. A lasting and effective partnership of nations where, as Woodrow Wilson said, "There must be not a balance of power, but a community of power; not organized rivalries, but organized peace." Those are the stakes, and that is the vision threatened by Saddam Hussein's brutal invasion.

What lies behind these objectives?

A vital issue of principle is at stake. We cannot allow the rule of law to be overwhelmed and replaced by the law of the jungle. Might cannot be allowed to make right. If we want the precedent of this first post-Cold War crisis to have meaning -- it must drive home that message.

Vital economic interests are at risk. Iraq itself controls some 10% of the world's proven oil reserves. Iraq plus Kuwait controls twice that. Moreover, an Iraq permitted to hold on to Kuwait would have the economic and military power as well as the arrogance to intimidate and in the end coerce its neighbors who control the lion's share of the remaining oil reserves, in the world. We cannot permit a resource so vital to the entire world to be dominated by so ruthless and unprincipled a power.

What is also at issue is American credibility and reliability. It has become fashionable in some quarters to speak

of American decline and the end of American leadership. But for any who subscribed to this notion, recent events have surely proven otherwise. As we have seen, there is no substitute for American leadership. And our willingness and capability to act is a bulwark against the forces of anarchy that could otherwise threaten the peace of the world.

Finally, what this is all about is nothing less than the shape of the world to come. This is truly the first crisis of the post-Cold War era. So it is essential that we hold true to certain principles if we wish to see them established as precedents in a new world order. Restraint, the rule of law, collective security -- we should not and cannot allow the reduced possibility of superpower conflict to be replaced by a new threat of conflict from power-hungry regional powers such as Iraq. With power comes obligation and responsibility. Saddam Hussein must learn this fundamental truth.

Our response has been clear from the very outset. Following on Iraq's August 2 invasion of Kuwait and acting hand in hand with others, we have sought to fashion the broadest possible international response to the Iraqi challenge. And we have succeeded.

Immediately following the invasion of Kuwait, American forces, and those of a host of nations, moved to the protection of Saudi Arabia. We are there at the request of King Fahd to deter an Iraqi attack and, if need be, to defend against one. Today soldiers from Damascus and Cairo, Marrakech and Bangladesh,

Los Angeles and London stand shoulder-to-shoulder. What brings these Muslims and non-Muslims, Arabs and non-Arabs together is resolute opposition to Saddam's aggression and aims.

In the United Nations, we can now point to five Security Council resolutions that condemn Iraq's aggression, call for immediate and unconditional Iraqi withdrawal from Kuwait, and call for the restoration of Kuwait's legitimate government. The United Nations has also specifically rejected Iraqi's cynical and self-serving attempt to annex Kuwait. The United Nations has demanded too that Iraq release all the foreign nationals held hostage against their will and in contravention not only international law but of human decency itself.

Just as important, the United Nations has backed up its words with action. The Security Council has imposed mandatory economic sanctions on Iraq, designed to force Iraq to disgorge the fruits of its aggression. The Security Council has also taken the decisive step of endorsing the use of all means as may be necessary to ensure that these sanctions are complied with. Together with our allies, ships of the United States Navy are today patrolling to see that they are. Voluntary compliance with sanctions is excellent. We continue to hope that Iraq's leaders will recalculate just what their aggression has on balance cost them. Because of the sanctions, they can sell none of their oil. And they can import but a tiny fraction of goods.

We continue to hope that these sanctions will work as intended.

Our policy also has a major economic dimension. I have just heard from Secretary of State Baker and from Secretary of the Treasury Brady. Each travelled the world at my request to underscore the necessity that the costs and burdens of this collective military effort be shared. It is also essential that countries complying with sanctions be compensated to prevent severe economic hardship. We are prepared to do our fair share; we are asking others to do the same.

I am pleased to be able to report that the response of our friends and allies has been positive. From the leaders of Saudi Arabia, Kuwait and the United Arab Republic we received pledges to provide American troops with all the food and fuel they need. Assistance will also be provided in large amounts to key front-line states such as Turkey and Egypt.

There is also an energy-related cost to be borne as well. But we are hard at work with oil-producing nations to replace lost Iraqi and Kuwaiti output. More than half of what was lost has already been made up. It we continue steps to expand production, we can minimize any price increases. As I have pointed out before, reasonable conservation efforts and responsible oil company behavior are necessary complements to this effort. And we and several of our allies always have the option to extract oil from our strategic petroleum reserves if conditions warrant.

The goal of all I have outlined is to convince Saddam Hussein to withdraw from Kuwait. I cannot predict just how long

it will take us to prevail. Our policy is now in place, and sanctions may take time to have their intended effect. What I can tell you is that we will stick with the current policy so long as the evidence suggests it is working. If the evidence begins to suggest otherwise, then we will look at the alternatives. Again, what is certain is that we will not let this aggression by Iraq stand.

However we do succeed, and we will, the challenge to our vital interest in the region will not have ended. I can foresee a lasting role for the United States in assisting the nations of the Persian Gulf, in deterring future aggression, in helping our friends in their own self-defense, and in curbing the proliferation of chemical, biological, missile and above all nuclear technologies. What we do specifically will be a matter to be determined, depending upon the threat and what we and our friends agree to. But let me make clear that our stake in the Gulf is not passing. Both our interest and our involvement pre-dated Saddam Hussein's aggression, and both will survive it.

Let me also make clear that the United States has no quarrel with the Iraqi people. Our quarrel is with Iraq's behavior, with its aggression, and with its leadership.

I want to make sure that everyone in Iraq understands this, and hope I have the opportunity to speak directly to the Iraqi people later this week over their television. My message is simple. Iraq must withdraw from Kuwait. Iraq will not be permitted to annex Kuwait. The use of force by Iraq to achieve

its ambitions is unacceptable. No one in Iraq should doubt our determination, our resolve or our ability to translate these words into fact. This is not a threat or a boast, just the truth.

I also want to use this occasion to say some things to the American people. Our ability to function effectively as a great power abroad depends directly upon how we conduct ourselves here at home. Our economy, our armed forces, our energy dependence, and our cohesion will all determine whether we are in a position to help our friends and stand up to our foes.

In order for America to lead, America must be strong and vital. Our world leadership and domestic strength are not separate domains -- they are mutual and reinforcing; they are a woven piece, as firmly bound as Old Glory.

We must get our economic house in order at home if we are to have the capacity to promote international order abroad. To provide that capacity we must address our budget deficit now -- not after election day, or next year, but in fact now. It is time we pull together -- and get the job done right.

We should act this very month -- before the next fiscal year begins -- to permanently cut the budget deficit. If anyone needs an additional reason for action, surely the Iraqi situation can help focus the mind. We are more vulnerable economically than we should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt.

Let me tell you what that job is. It has five basic parts.

First: We should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. One such measure already has the support of bipartisan majorities in both the House and Senate: The capital gains rate cut. And it is time we put its investment and job-creating power to work.

Second: We should, this month, enact a prudent five-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. Even with Iraq, the defense budget can decline in real terms. But beyond a certain point, one crosses a line that threatens our nation's margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is a line I cannot cross.

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Inter-dependence has increased. The consequences of regional instability can be global. This is no time to reduce America's capacity to protect her vital interests.

Third: We should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy

resources. In addition, new measures, including tax measures (if any), to be incorporated here.

Since the oil embargo of the early 1970's our reliance on foreign oil has not decreased -- it has grown. We have moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth: We should, this month, enact a five-year program to reduce the projected deficits and debt by $500 billion -- that is, by half-a-trillion dollars. If Congress presents me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

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Fifth, and finally: The combination of these legislative actions should allow the Federal Reserve to facilitate a substantial reduction in interest rates -- in a context of economic growth, without increased inflation. I have discussed my proposed program in detail with the Chairman of the Federal Reserve Board, Alan Greenspan. He assures me that if Congress

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- It reaches beyond the visible parts of the budget and begins to control the government's expanding credit programs and hidden liabilities.
- It reforms the budget process to provide some of the tools that have allowed many governors to keep state budgets under control -- like "pay-as-you-go" requirements and line-item veto.
- It is enforceable.
- And, to the extent that it includes new revenue measures -- which it does -- it avoids any measure that might threaten economic growth or raise people's income tax rates. I know there are some who are anxious to

raise income tax rates. But that is one path we should not head down again.

To the congressional members of the Budget Summit, I say: I first called for negotiations many months ago. The negotiations have already dragged on too long. I have compromised, and compromised again. Some others have, as well. The plan I offer tonight is a further compromise that should, at last, bring us together. I hope to persuade you of its merit in this coming week.

My plan will not fully satisfy any of us. But it will do the job that needs to be done. And now: it is time to produce.

I hope the Summit leaders will agree on this plan. But with or without agreement, I ask both Houses of the Congress to allow a straight up-or-down vote on my comprehensive package -- not later than September 28th.

If the Congress fails to act, Americans will then have to face sequester: mandated spending reductions with all the national discomforts those entail. We would also be running real risks in terms of our national economy. If, on the other hand, the Congress responds to the challenge, we will, at last, have put ourselves on the right course here at home.

In the final analysis, our ability to meet our responsibilities abroad depends upon political will and consensus at home. This is never easy in democracies where we govern only with the consent of the governed. And free people in a free society are bound to have their differences. But when the stakes

have been as great as the stakes we now see, and when the principles are as clear as those we see today, Americans have traditionally come together. The sacrifices each of us in this chamber are called upon to make are political. These are not inconsequential sacrifices. But they are nothing compared to the sacrifices being made, as to speak, by our men and women in uniform.

I am hopeful. Once again, Americans have stepped forward to do their duty. They have shared a tearful goodbye with their families before leaving for a strange and distant shore. At this very moment, they stand together with Arabs, Europeans, and others in defense of principle -- doing what is right. If they can come together under such adversity, surely we who are so fortunate as to be in this great chamber -- Democrats, Republicans, liberals, conservatives, moderates -- can come together to fulfill our responsibilities here.

Thank you, good night, and God bless America.

# # #

9/11/90 Jt Session Draft/kj

Mr. President, Mr. Speaker, Members of the Congress, distinguished guests, fellow Americans, thank you.

We gather here this evening while brave members of the armed forces of the United States stand in harms way--side by side with the armed forces of more than twenty other nations, in the distant desert and on distant seas. They are there and we meet here, in the aftermath of an outrage: Iraq's invasion, then occupation, of Kuwait.

Our response has been firm and clear, as it must be in times like these. And times like these also remind us of far greater risks and sacrifices then any we are called to make in Washington. It is the men and women of our armed forces, all volunteers to service, who leaves their posts and careers, their families and loved ones, to meet this challenge halfway around the world.

On behalf of all Americans, I want to express our deepest thanks to those who keep America safe and who make America great.

Let us also return a salute to the military leaders with us tonight -- the first-class professionals of the Joint Chiefs of Staff. General Powell, Chiefs, what a magnificant job you have done.

The response of all the men and women of the United States Armed Forces over the past few weeks has been nothing short of heroic.

In the face of danger, they are brave. In trying circumstances, their morale is excellent. Helping to keep the world free from further aggression, they make us all proud.

I wish I could say their work is done. But we all know it isn't.

And, let me also thank you all -- Democrats, Republicans, and independents alike -- and all Americans -- for your unity of purpose, and for your support of our actions in the force of aggression.

My purpose tonight is to talk to you about what is at stake, what we are doing and why. I also want to point out what we must do to prevail -- not just abroad, but here at home as well. For foreign policy and domestic policy are not distinct. We are one people, with a broad set of interests to be served by our foreign and domestic policies.

Our objectives are clear, our goals defined and familiar:

° Iraq must withdraw from Kuwait completely, immediately, and without condition.

° Kuwait's legitimate government must be restored.

- The security and stability of the Persian Gulf must be assured.
- And, American citizens and interests must be protected.

I want to say at the outset that these objectives are not ours alone. Other countries share our concern for principle. Other countries have a stake in Persian Gulf stability. And other countries share the heartfelt concern for their ment, women, and children held hostage. It is not Iraq against the United States. It is Iraq against the world.

I come before you tonight having just returned from Helsinki, from my very productive meetings with Soviet President Gorbachev. Our joint statement underscores our mutual commitment to counter this threat to peace.

This public declaration is truly an historic venture. Just imagine how different this crisis would be if, as in decades past, a dictator like Saddam has been able to count upon the Soviet Union and East-West confrontation to inhibit an international response to his aggression. Try to conceive of what we and our allies would now face if the machinery of the United Nations were still disrupted by the divisions of the Cold War.

X— But, ladies and gentlemen, the Cold War is over. And in this crisis -- as grave as it is -- we see the chance to craft the framework of a new world order. One in which the cooperative mutual interest of countries East and West -- North and South

-- can be realized. President Gorbachev understands that how we -- together with others -- manage this crisis will speak volumes about our ability to make the international system of the future different from those of the past. The test we face is great -- and so are the stakes -- for we seek a community of international responsibility. A new world: One in which the rule of law flourishes and in which no state can count on naked aggression for its own selfish unilateral gain. A new world in which nations recognize the responsibility we all share for freedom and justice. A lasting and effective partnership of nations where, as Woodrow Wilson said, "There must be not a balance of power, but a community of power; not organized rivalries, but organized peace." Those are the stakes, and that is the vision threatened by Saddam Hussein's brutal invasion.

What lies behind these objectives?

A vital issue of principle is at stake. We cannot allow the rule of law to be overwhelmed and replaced by the law of the jungle. Might cannot be allowed to make right. If we want the precedent of this first post-Cold War crisis to have meaning -- it must drive home that message.

Vital economic interests are at risk. Iraq itself controls some 10% of the world's proven oil reserves. Iraq plus Kuwait controls twice that. Moreover, an Iraq permitted to hold on to Kuwait would have the economic and military power as well as the

arrogance to intimidate and in the end coerce its neighbors who control the lion's share of the remaining oil reserves, in the world. We cannot permit a resource so vital to the entire world to be dominated by so ruthless and unprincipled a power.

What is also at issue is American credibility and reliability. It has become fashionable in some quarters to speak of American decline and the end of American leadership. But for any who subscribed to his notion, recent events have surely proven otherwise. As we have seen, there is no substitue for American leadership. And our willingness and capability to act is a bulwark agains the forces of anarchy that could otherwise threaten the peace of the world.

Finally, what this is all about is nothing less than the shape of the world to come. This is truly the first crisis of the post-Cold War era. So it is essential that we hold true to certain principles if we wish to see them established as precedents in a new world order. Restraint, the rule of law, collective security -- we should not and cannot allow the reduced possibility of superpower conflict to be replaced by a new threat of conflict from power-hungry regional powers such as Iraq. With power comes oblication and responsibility. Saddam Hussein must learn this fundamental truth.

Our response has been clear from the very outset. Following on Iraq's August 2 invasion of Kuwait and acting hand in hand with others, we have sought to fashion the broadest possible international response to the Iraqi challenge. And we have succeeded.

Immediately following the invation of Kuwait, American forces, and those of a host of nations, moved to the protection of Saudi Arabia. We are there at the request of King Fahd to deter an Iraqi attack and, if need be, to defend against one. Today soldiers from Damascus and Cairo, Marrakech and Bangladesh, Los Angeles and London stand shoulder-to-shoulder. What brings these Muslims and non-Muslims, Arabs and non-Arabs together is resolute opposition to Saddam's aggression and aims.

In the United Nations, we can now point to five Security Council resolutions that condemn Iraq's aggression, call for immediate and unconditional Iraqi withdrawal from Kuwait, and call for the restoration of Kuwait's legitimate government. The United Nations has also specifically rejected Iraqi's cynical and salf-serving attempt to annex Kuwait. The United Nations has demanded too that Iraq release all the foreign nationals held hostage against their will and in contravention not only of internaitonal law but of human decency itself.

Just as important, the United Nations has backed up its words with action. The Security Council has imposed mandatory economic

sanctions on Iraq, designed to force Iraq to dissorge the fruits of its aggression. The Security Council has also taken the decisive step of endorsing the use of all means as may be necessary to ensure that these sanctions are complied with. Together with our allies, ships of the United States Navy are today patrolling to see that they are. Voluntary compliance with sanctions is excellent. We continue to hope that Iraq's leaders will recalculate just what their aggression has on balance cost them. Because of the sanctions, they can sell none of their oil. And they can import but a tiny fraction of goods.

We continue to hope that these sanctions will work as intended.

Our policy also has a major economic dimension. I have just heard from Secretary of State Baker and from Secretary of the Treasure Brady. Each travelled the world at my request to underscore the necessity that the costs and burdens of this collective military effort be shared. It is also essential that countries complying with sanctions be compensated to prevent severe economic hardship. We are prepared to do our fair share; we are asking others to the same.

I am pleased to be able to report that the response of our friends and allies has been positive. From the leaders of Saudi Arabia, Kuwait and the United Arab Republic we received pledges to provide American troops with all the food and fuel they need. Assistant will also be provided in large amounts to key front-line

states such as Turkey and Egypt.

There is also an energy-related cost to be borne as well. But we are hard at work with oil-producing nations to replace lost Iraqi and Kuwaiti output. More than half of what was lost has already been made up. If we continue steps to expand production, we can minimize any price increases. As I have pointed out before, reasonable conservation efforts and responsible oil company behavior are necessary complements to this effort. And we and several of our allies always have the option to extracting oil from our strategic petroleum reserves if conditions warrant.

The goal of all I have outlined is to convince Saddam Hussein to withdraw from Kuwait. I cannot predict just how long it will take us to prevail. Our policy is now in place, and sanctions may take time to have their intended effect. What I can tell you is that we will stick with the current policy so long as the evidence suggests it is working. If the evidence begins to suggest otherwise, then we will look at the alternatives. Again, what is certain is that we will not let this aggression by Iraq stand.

However we do succeed, and we will, the challenge to our vital interest in the region will not have ended. I can foresee a lasting role for the United States in assisting the nations of the Persian Gulf, in deterring future aggression, in helping our friends in their own self-defense, and in curbing the proliferation of chemical, biological, missile and above all nuclear technoligies. What we do specifically will be a matter

to be determined, depending upon the threat and what we and our friends agree to. But let me make clear that our stake in the Gulf is not passing. Both our interest and our involvement pre-dated Saddam Hussein's aggression, and both will survive it.

Let me also make clear that the United States has no quarrel with the Iraqi people. Our quarrel is with Iraq's behavior, with its aggression, and with its leadership.

I want to make sure that everyone in Iraq understands this, and hope I have the opportunity to speak directly to the Iraqi people later this week over their television. My message is simple. Iraq must withdraw from Kuwait. Iraq will not be permitted to annex Kuwait. The use of force by Iraq to achieve its ambitions is unacceptable. No one is Iraq should doubt our determination, our resolve or our ability to translate these words into fact. This is not a threat or a boast, just the truth.

I also want to use <u>this</u> occasion to say some things to the American people. Our ability to function effectively as a great power abroad depends directly upon how we conduct ourselves here at home. Our economy, our armed forces, our energy dependence, and our cohesion will all determine whether we are in a position to help our friends and stand up to our foes.

In order for America to lead, America must be strong and vital. Our world leadership and domestic strength are not separate domains -- they are mutual and reinforcing; they are a woven piece, as firmly bound as Old Glory.

We must get our economic house in order at home if we are to have the capacity to promote international order abroad. To provide that capacity we must address our budget deficit now -- not after election day, or next year, but in fact now. It is time we pull together -- and get the job done right.

We should act this very month -- before the next fiscal year begins -- to permanently cut the budget deficit. If anyone needs an additional reason for action, surely the Iraqi situation can help focus the mind. We are more vulnerable economically than we should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt.

Let me tell you what that job is. It has five basic parts.

First: We should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. One such measure already has the support of bipartisan majorities in both the House and Senate: The capital gains rate cut. And it is time we put its investment

and job-creating power to work.

Second: We should, this month, enact a prudent five-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. Even with Iraq, the defense budget can decline in real terms. But beyond a certain point, one crosses a line that threatens our nation's margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is a line I cannot cross.
The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Inter-dependence has increased. The consequences of regional instability can be global. This is no time to reduce America's capacity to protect her vital interests.

Third: We should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should inlcude my proposals to increase incentives for domestic oil and gas explouration, and to accelerate the development of Alaskan energy resources. In addition, new measures, including tax measures (if any), to be incorporated here

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Thank you, good night, and God bless America.

Pete Williams 697-9312
Dan Kalinger ~~695-3318~~

THE WHITE HOUSE
WASHINGTON

Topeka Kansas ✓ Lt. Col. Steppe

Tallahassee FL ✓ Lt. Col. John Smith
Greg Martin

Denver CO

LA

SF

Full Names
ranks
serving in Gulf area
what are they doing there
what school they went to
job did they have

Balance

8/21

1. (U) EGYPTIAN RADIO INTERRUPTED REGULAR BROADCASTING AT 1400 TO CONVEY A PRESIDENTIAL STATEMENT ON THE GULF CRISIS; CAIRO TELEVISION BROADCAST THE SAME MESSAGE AT 1500. THE READING OF THE STATEMENT WAS PRECEDED BY NATIONALISTIC, MARTIAL MUSIC, SOME DATING FROM THE NASSER ERA.

2. (U) EMBASSY'S INFORMAL TRANSLATION OF MUBARAK'S STATEMENT FOLLOWS: BEGIN TEXT:

THE FOLLOWING IS PRESIDENT MUBARAK'S STATEMENT TO THE ARAB NATION AND THE BROTHERLY IRAQI PEOPLE:

OUT OF OUR HISTORIC RESPONSIBILITY TO THE ARAB AND ISLAMIC NATIONS AND THE ENTIRE WORLD, AND THE DESIRE TO PROTECT PEACE AND WARD OFF A DESTRUCTIVE WAR THAT WILL LEAVE BEHIND NOTHING BUT TOTAL RUIN... FOR GOD AND FOR COUNTRY, I CALL ON BROTHER PRESIDENT SADDAM, IN THE NAME OF ALL THE HOLY PLACES ON OUR ARAB LAND, IN THE NAME OF OUR CIVILIZED HERITAGE THAT HAS TAUGIT THE WORLD DIGNITY, PRIDE, INTEGRITY, ...

IN THE NAME OF ISLAM, A RELIGION OF BROTHERHOOD, PEACE, SOLIDARITY, AND COOPERATION,

IN THE NAME OF ARAB NATIONALISM CALLING US TO A PROSPEROUS FUTURE,

IN THE NAME OF ARABISM, WHICH HAS UNITED US IN RELIGION AND LAND, AND IN THE NAME OF OUR UNITY, A SHIELD AGAINST OUR ENEMIES WHO WISH TO DESTROY IT, RIP APART OUR FAMILIES, AND SEE OUR MEN FALLING,

IN THE NAME OF SOLIDARITY, PEACE, AND COMPASSION, IN THE NAME OF EVERY ARAB MAN, WOMAN AND CHILD HOPING FOR A BRIGHT FUTURE AND A HAPPY FAMILY,

IN THE NAME OF THE THOUSANDS OF MARTYRS WHO HAVE GIVEN THEIR LIVES AND BLOOD THROUGH AN LONG STRUGGLE OVER THE COURSE OF HISTORY TO PROVIDE US WITH A FREE LIFE ON A FREE LAND,

I CALL ON PRESIDENT SADDAM TO SAVE THE (ARAB) MAN AND ENTITY FROM A DESTRUCTIVE WAR OF WHICH, IF IT STARTS, NO ONE EXCEPT GOD CAN FORETELL THE TERRIFYING RESULTS... A WAR THAT WILL SET US BACK INTO YEARS OF DARKNESS.

I CALL ON SADDAM TO TAKE THE DECISION OF WITHDRAWING THE IRAQI FORCES FROM KUWAIT, AND TO RESTORE THE STATE OF EVENTS (EXISTING) BEFORE THE INVASION.

THE ARAB CONSENSUS LOOKS TO YOU TO TAKE THIS INITIATIVE, WHICH WILL BE APPRECIATED BY THE ARABS AND BY THE ENTIRE WORLD: EAST AND WEST, NORTH AND SOUTH.

I CALL ON YOU AT THESE CRUCIAL, DECISIVE AND DIFFICULT HOURS. I AM CONFIDENT THAT YOU WILL RESPOND TO MY REQUEST FOR THE SAKE OF THE HIGHER ARAB INTERESTS, WHICH ARE ABOVE ALL OTHER.

THE ARAB NATION WILL NOT BE INCAPABLE OF SOLVING ITS PROBLEMS AND ACHIEVING ITS SOLIDARITY, AND REALIZE ITS RIGHTS THROUGH (THE ACTIONS OF) BY ITS OWN MEN AND LEADERS.

MAY GOD GUIDE US TO THE PATH OF TRUTH AND JUSTICE.

WITHDRAWAL FROM THE GULF

Middle Eastern and Other Reaction

IRAQ A risk lies in underestimating Iraq's power and Iraqis' determination to defend themselves against any foreign aggression . . . . The U.S. should know perfectly well that Iraq is not the tiny island of Grenada.

—*"Baghdad Observer" (English-language).*

SAUDI ARABIA We Arabs reject the principle of occupying other lands by force, . . . whether it is by Arabs or others.

—*"Okaz" (pro-government), Jidda.*

QATAR The Iraqi invasion . . . is totally unacceptable and will cause many problems that we hope God will keep far away from the Arab world . . . . The [Iraqi-installed] government will continue to lose recognition and support not only from the Arab countries but also from the entire international community, because it is the culmination of an action that is wrong by any standards.

—*"Al-Arab" (weekly), Doha.*

UNITED ARAB EMIRATES The regrettable events . . . pose the most serious challenge to the unity of the region since independence . . . . Surrender to this aggression or failure to contain it quickly would mean the end of a dream. It is almost certain that the continuation of the Iraqi occupation would lead to a military intervention by outside powers . . . . Iraq must be brought to its senses and made to realize that its aggression would deal the greatest blow to . . . unity.

—*"Gulf News" (independent biweekly), Dubai.*

SYRIA Replacing the language of dialogue with the language of might has placed the Arabs in a weak position. . . . Solving disagreements among the Arabs themselves, and by all Arab presidents, is the ideal solution that protects against foreign and Zionist greed.

—*"Al-Ba'ath" (government-controlled), Damascus.*

JORDAN All Arabs should support Iraq in confronting the hostile U.S. campaign. Arab countries should also . . . . not hesitate to withdraw ambassadors from [the U.S. and other Western] states, or else a day will come when the U.S. freezes all Arab assets in its banks.

—*"Al-Ra'i" (pro-government), Amman.*

JORDAN An economic boycott of Iraqi and Kuwaiti oil [is] an option, but a bad one . . . . The price of a barrel of oil would reach maybe $50 if Iraqi and Kuwaiti oil disappeared from the market.

—*"Jordan Times" (independent), Amman.*

EGYPT The days of Hitler will not return . . . . It seems that Saddam Hussein reads only the first few pages of his history books and is unaware of the fate in store for tyrants who violate the independence of nations.

—*"Al-Akhbar" (pro-government), Cairo.*

ISRAEL Initially, the Iraqi military move is more of a problem for the Arab and Islamic world . . . . It is possible that means to get Iraq to withdraw from Kuwait will be found. It is difficult to assume that a show of muscle by the West, led by the U.S., . . . will convince Saddam to go back to the place from which he came.

—*"Ma'ariv" (independent), Tel Aviv.*

ISRAEL Saddam performed a classic *Anschluss.* Any sign of Israeli weakness, whether real or perceived, cannot but whet the appetite of the Saddams of this world.

—*"Jerusalem Post" (independent).*

WEST GERMANY The Iraqi aggression demonstrates that the old Western geopolitical principles continue to be valid. Peacefulness is good; a balance of forces and deterrents is better.

—*Josef Joffe, "Süddeutsche Zeitung" (independent), Munich.*

BRITAIN Not since Korea has the United Nations had both the will to assert the values of national integrity, for which it was set up, and the means to do so. This is the first great challenge of the post-cold-war era.

—*"The Times" (conservative), London.*

SINGAPORE For those who believe that superpower détente equals global peace, the invasion should provide an early corrective.

—*"Straits Times" (independent).*

Confrontation in the Gulf: The Arabs Against Baghdad

Egypt Vows to Send More Troops to Gulf

Continued From Page 1

Arabia, the United Arab Emirates and Kuwait by holding a 90-minute discussion with President Mubarak at his Ras al-Tin summer palace in Alexandria. Administration officials declined to provide any further details of the Mubarak-Baker talks.

In a brief news conference following their discussion, though, Mr. Mubarak confirmed rumors that his country intended to build up its troop presence in Saudi Arabia saying: "We have some troops there and we are sending some other troops, but I am not in a position to tell you how many and when. We are intending to support the Saudis by all means."

Asked whether he could envisage peace in the Persian Gulf if Iraq were allowed to retain its chemical, conventional and nuclear arms-making potential, even after a pullout from Kuwait, Mr. Mubarak said: "You know, we are against chemical weapons, against the presence of missiles because this is a very destructive means. I think peace will never go with the presence of all these forms of weapons in the area. It doesn't mean that the military solution should take place. We would like, first of all, to try peaceful solutions. We shouldn't go through war solutions unless that is a hopeless case."

The Egyptian President was then asked how much time the coalition against Iraq should give for the peaceful means to produce results. Should it wait until October? November? His answer suggested that he was prepared to give it time, but months not years.

"I am not saying October, November, December," Mr. Mubarak said. "It is a matter of information how the sanctions would affect after one or two or three months. It may last only one month, maybe two months, but I'm telling you that doesn't mean it's going to stay for one year."

As many as 30,000 more men may be sent.

While Mr. Baker's trip focused ostensibly on raising several billion dollars to fund the American and Middle-Eastern forces protecting Saudi Arabia and isolating Iraq, officials have said that the Secretary of State was also discussing various military options with the Arab states. Beside his private chat with the Egyptian leader, Mr. Baker held three separate meetings in Jidda with Saudi Arabia's Foreign Minister, Prince Saud al-Faisal, the substance of which officials also declined to discuss.

Kuwait's exiled government has pledged to send Washington $2.5 billion this year and the Saudis have promised $400 million to $500 million a month, which should cover most if not all of the cost of the United States military deployment in the gulf.

In every country the Secretary of State visited, Arab leaders expressed publicly the hope that diplomacy and United Nations sanctions will force an unconditional Iraqi withdrawal, but in one way or another they all also indicated that if diplomacy did not work, other options should be considered to enforce the resolution. Syria, Morocco, Qatar, the United Arab Emirates, Bahrain and Omman have also sent troops to Saudi Arabia, augmenting the American presence which has reached 100,000 in the gulf region.

While they do not say so publicly, it is clear that many Arab leaders are asking the same question that the hawks in Washington have been asking: Even if Iraq withdraws from Kuwait, Saddam Hussein's army, chemical arsenal and nuclear weapons development program will still be intact, therefore should not some way be found to neutralize these threats?

A Sense Hussein Is Cornered

If anything, the mood in the region, at least at the leadership level, appears to be hardening against the Iraqi leader. Success breeds success and confidence and the almost daily news reports that another Arab country is sending troops, or contributing funds to the anti-Iraqi coalition, seems to have emboldened all of them. There is a sense that they finally do have Mr. Hussein cornered and they do not want to see him escape.

But such solidarity in confronting a local dictator has been rare in modern Arab history, and the Arab leaders understand how easily it could evaporate if the United States-Soviet cooperation cementing it at the top were to crumble. Indeed, when Mr. Mubarak was asked what he wanted from Sunday's summit between Presidents Bush and Gorbachev, he answered in a flash that he wanted to see the super powers retaining their united front against Iraq, which has become the keystone of the entire international coalition.

"I hope that Gorbachev and Bush have one line for dealing with this problem," Mr. Mubarak said. "I don't like any differences because this would be a hell of a problem in this area if there are differences."

Similar Appeal to Arabs

Mr. Baker, for his part, made a similar appeal for solidarity to the Arabs. To make certain that the United Nations sanctions resolutions have a fair chance to produce a peaceful, unilateral Iraqi withdrawal, the Secretary of State used the brief news conference in Cairo to urge some of those Arab states which had been wavering — such as Jordan and Algeria — not to break ranks with the majority in a way that would enable Baghdad to elude the sanctions, or try to forge a compromise with the Iraqi leader that would give him some gains in Kuwait in return for a pullout.

Addressing President Mubarak, Mr. Baker said: "We agree strongly with you that there should not be any diminution of the substance of those resolutions and there should not be any settlements or agreements that in any way minimize or diminish the content and substance of those resolutions. We very much hope that there can be a peaceful settlement of the situation at the earliest possible time."

Mr. Baker and President Mubarak said they also discussed the future of Arab-Israeli diplomacy and the Egyptian leader, in a highly unusual move, took a public swipe at the Palestine Liberation Organization chairman, Yasir Arafat, suggesting that he does

Overwhelmed, Jordan Delays Refugees Heading for Egypt

By The Associated Press

Hunger and hardship increased yesterday for refugees stranded in Jordan, and among diplomats and other foreigners in Iraqi-occupied Kuwait.

A Jordanian border official said that 225,000 Egyptian refugees were waiting to cross from Iraq, but that Jordan was holding them back because it was overwhelmed by the 100,000 refugees already stranded in its desert.

"They are waiting under terrible

shipped by Sept. 30, a statement issued by the Agriculture Department said.

Other countries have pledged millions of dollars in relief, but distribution has been slow.

Another planeload of Americans was expected to leave Kuwait yesterday. On Friday the Government of President Saddam Hussein of Iraq allowed 165 Americans and some other foreigners to leave, the latest flights in the

ficial said.

Abu Nidal, whose real name is Sabri Banna, is a renegade Palestinian responsible for the 1985 attacks on the airports of Rome and Vienna, Austria, in which 14 persons were killed and the 1986 attack on a synagogue in Istanbul, Turkey, in which 21 worshipers were shot.

U.S. officials said the terrorists may use thousands of new Kuwaiti passports confiscated by Iraqi authorities after Iraq's Aug. 2 invasion of the sheikdom.

The officials expressed concern that a number of infiltrators may be among hundreds of Iraqis who have deserted to Saudi Arabia in recent weeks.

• *Bill Gertz contributed to this report.*

heads and walking in a daze through the throngs and din of noise in downtown streets.

Now and then a truckload of riot police makes its way through the traffic. Land Rovers with soldiers wielding machine guns guard foreign embassies. In the Palestinian refugee camps, youths and old men line up outside recruitment offices of the "people's army" to fight alongside the troops of Iraqi President Saddam Hussein.

Having thrown its lot with Iraq, Jordan is trying to be the venue of diplomacy to safeguard peace, which has rarely looked more precarious in the Middle East. Amman is the only place from which diplomats can fly to Iraq with their various, mostly futile compromise pro-

disaster."

few hundred trucks daily carrying goods from the Red Sea port of Aqaba to Baghdad.

Now nearly 20,000 refugees cross the Ruweished border point daily. A huge makeshift tent city has mushroomed, where dust-covered men bargain for transportation atop rickety trucks, women claw their way to get water for their children, and thousands spend hours lining up outside four filthy toilet facilities.

With the U.N. embargo against Iraq paralyzing Jordan's port of Aqaba and exacerbating an unemployment rate that was already 20 percent before the crisis, "refugees

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'Old hag': Saddam is 'a loser'

By Gregory Jensen
SPECIAL TO THE WASHINGTON TIMES

LONDON — Nearly 200 British citizens arrived here from Baghdad yesterday, but the harsh war of words between Iraqi President Saddam Hussein and British Prime Minister Margaret Thatcher escalated.

"This man is a loser," Mrs. Thatcher said yesterday of the Iraqi president.

"Old hag," Mr. Hussein's news agency blasted back.

Mrs. Thatcher, who, like President Bush, has vowed not to let her policy be deflected by the hostage issue, in a television interview called the Iraqi leader "a person who has taken hostages, cruelly, brutally, and a person who has hidden behind the skirts of women and children."

In Baghdad, the state newspaper Al-Iraq retorted that the prime minister is a "circus buffoon who is dancing on American ropes . . . vomiting poison like a spotted serpent."

The Iraqi News Agency added that "Thatcher would do well to bear in mind that the empire on whose possessions the sun did not go down has long been defunct, and neither she nor any of her allies will be able to set the clock back."

Britain has an estimated 2,900 hostages in Iraq and Iraqi-occupied Kuwait, about the same as the United States.

Yet there has been no war fever here, no hostage hysteria, no yellow ribbons or "Get Our People Home" placards, no demonstrations.

Britain's undemonstrative calmness over the hostages echoes Mrs. Thatcher's own attitude throughout the crisis: Act tough, talk tough when necessary, but keep the temperature cool and rational.

The impression in Britain, based on unofficial and off-the-record leaks, is that she has tried to urge President Bush to do the same. She is said to be a restraining influence on him and is adamantly against any pre-emptive or offensive military action.

The British support her — by more than 70 percent, according to a poll in yesterday's Sunday Express. But their temper over hostages has been kept in check.

This does not reflect any lack of care, and their cool attitude is not merely traditional British reserve.

Those with trapped relatives have been helped by an unofficial nationwide "Gulf Help Line," set up early in the crisis by Conservative Member of Parliament Robert Hayward. It relays to callers what little hostage information is available, puts them in touch with others in the same dilemma, and above all gives them a

AP

An unidentified former hostage clutching a teddy bear breaks into tears yesterday as she leaves the Iraqi Airways jet at Heathrow Airport.

An unidentified
jet that arrived

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"They're pa
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against U.S. ships in the Persian Gulf. But there were unconfirmed reports from Western diplomats in the Middle East that two Iraqi pilots defected to Saudi Arabia in their Soviet-made MiG jets.

Britain, France and other countries have joined U.S. warships in the Middle East in an attempt to deter a

the debate over his invasion of Kuwait into a discussion of a host of Middle East problems, some of which remain unresolved after decades of talks and war.

There were signs the Iraqis are girding for a long siege. One day after warning that black marketeers in Iraq would be executed, Mr. Hussein urged Iraqi women to cut meat

would honor a request by the Kuwaiti government in exile to intercept Iraqi oil shipments.

"Let's not use the word blockade," Mr. Baker said on ABC-TV's "This Week." "Let's just say we have the legal basis for interdicting these things."

U.S. and allied warships are poised to meet Iraqi tankers coming from the Persian Gulf, Red Sea or Mediterranean Sea. Iraq is dependent on oil exports to buy food and supplies for its 17 million people.

Iraq is virtually encircled on the ground, with the possible exception of Jordan. Turkish Premier Yildirim Akbulut said yesterday he will ask parliament for the power to declare a state of war and send armed forces into combat if the crisis worsens.

To the south, 10,000 Egyptian and Moroccan troops are joining 50,000 U.S. soldiers moving into Saudi Arabia. Syria, on Iraq's northwestern border, has also pledged troops.

To the east, Iraq is still in a state of war with Iran although a U.N.-sponsored cease-fire has been holding since 1988.

Iranian President Ali Akbar Hashemi Rafsanjani called the takeover of Kuwait "one of Iraq's more abominable acts," but he also said the U.S. intervention was illegal.

"The presence of foreign forces has inflamed the Persian Gulf and the region has become like a powder keg," Mr. Rafsanjani said yesterday.

In the Jordanian city of Mafraq, thousands of people converged for an anti-American rally organized by the Jordanian Committee in Support of Iraq. The rallies began after Mr. Hussein's call for a "holy war" against Saudi Arabia and Western countries intervening in the Persian Gulf.

Police stopped about 50 pro-Iraqi protesters marching on the U.S. Embassy in the capital city of Amman, dispersing them peacefully, a witness said.

An estimated 10,000 Palestinians staged a noisy demonstration of support for Iraq at a refugee camp in southern Lebanon. Chanting "Death to America!" the demonstrators hanged effigies of President Bush, British Prime Minister Margaret Thatcher and Saudi Arabia's King Fahd.

A PLO official said 500 refugees at another camp had volunteered to go to Iraq to fight against an American attack.

But in Bangladesh, hundreds of people demonstrated outside Iraq's embassy to secure the safety of 110,000 Bangladesh citizens trapped in the invasion. Demonstrators shouted, "Iraqi troops get out of Kuwait!"

In Israel, stores reported panic purchases of gas masks after Iraqi threats to attack with chemical weapons.

A British citizen was shot dead in Kuwait near the Saudi border, and scores of foreigners were returning

T.A.G. WASH TIMES A11 8/13/90

WORLDWIDE RESPONSE

The United Nations embargo requires all 158 member nations to cut off all trade, except for medicine and food deliveries, to Iraq. But the United Nations has no enforcement mechanism. The following countries have announced sanctions and other actions.

Australia — Oil embargo. Dispatched two frigates and a supply ship to aid multinational fleet in the Gulf.

Belgium — Oil embargo, froze Iraqi assets.

Brazil — Oil and arms embargo.

Britain — Oil and arms embargo. Froze Iraqi assets. Dispatched two fighter aircraft squadrons, including 1,000 men, to back U.S. force in Saudi Arabia. Offered United States use of bases to launch operations against Iraq.

Canada — Oil and economic embargo. Dispatched two destroyers and a supply ship to aid multinational fleet in the Gulf.

Chile — Arms embargo.

China — Arms embargo.

Colombia — Plans to boost oil production to cover loss from U.N. embargo.

Czechoslovakia — Arms embargo.

Denmark — Oil embargo

France — Oil and arms embargo, froze Iraqi assets. Increased naval and air forces in the Gulf but only under French command.

Germany (West) — Oil embargo, froze Iraqi assets, offered United States use of bases to launch operations against Iraq. Sending 4 or 5 minesweepers to the Gulf.

Greece — Oil embargo, allowed U.S. warplanes to fly over en route to Gulf.

Indonesia — Announced it would continue trading with Iraq, despite the U.N. economic embargo.

Italy — Oil and arms embargo, froze Iraqi assets.

Japan — Oil embargo, no trade or aid.

Jordan — Announced it will observe U.N. sanctions.

Luxembourg — Oil embargo, froze Iraqi assets.

Mexico — Plans to boost oil production.

Netherlands — Oil embargo, froze Iraqi assets but allowing Dutch company to continue work on Iraqi port.

New Zealand — Oil embargo.

Nigeria — Plans to boost oil production.

Norway — Oil embargo.

Philippines — Oil embargo.

Poland — Arms embargo.

Portugal — Oil embargo.

Saudi Arabia — Invited in U.S. troops, reported ready to boost production by 2 million barrels a day, equal to almost half of combined Iraq-Kuwait production.

South Korea — Announced it will observe U.N. sanctions.

Switzerland — Oil and arms embargo, froze assets, restricted other trade.

Soviet Union — Arms embargo.

Turkey — Froze Iraqi assets, refused to allow ships to load Iraqi oil at terminus of Iraqi pipeline.

United States — Sent forces to protect Saudi Arabia, organized U.N. boycott, oil and arms embargo, froze Iraqi assets; no trade, travel or agricultural trade finance.

Venezuela — Plans to boost oil production.

At the weekend's Arab Summit, Bahrain, Egypt, Djibouti, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Somalia and Syria voted to send troops to form all-Arab force in Saudi Arabia. Iraq, the Palestine Liberation

RAFSANJANI

IRAQ

From page A1

delivering chemical weapons, and we are well trained for it."

Kuwait told the United Nations that Iraqi occupation forces have also mined all the occupied emirate's vital state installations, including desalination systems, power stations, oil refineries and ports.

Iraq also said it completed its military withdrawal from Iranian territory under a peace initiative announced six days ago by Mr. Hussein. The move freed up thousands of soldiers to face U.S. troops across the searing Saudi-Kuwaiti frontier.

The report of Iraq's military buildup in Kuwait and fears of war sent stock markets tumbling around the world and brought a dramatic appeal to Mr. Hussein from fellow Arab leader Hosni Mubarak of Egypt:

"I appeal to President Saddam Hussein to save mankind . . . from a destructive war which would destroy all greenery and lands and God only knows how frightening the end would be if it was started.

"What the losses and consequences would be if the fire broke out . . . it would take us backwards to darkness and loss," Mr. Mubarak said in an unscheduled speech on Egyptian television and radio.

Mr. Hussein's foreign minister, Tareq Aziz, on a surprise visit to Jordan, offered peace talks with Washington.

"We are ready to discuss the situation in the Gulf and other situations. . . . If they are ready to talk, we are ready to talk," Mr. Aziz said at a news conference.

But the White House rebuffed Iraq's latest invitation to negotiate a settlement to the Gulf crisis, saying the U.S. position was unchanged.

"It's much of the same rhetoric that we've heard before," Mr. Fitzwater told reporters near Mr. Bush's vacation home in Maine.

The European Community, saying it had received formal notice from Iraq of its threat to round up Westerners, issued a stern warning that Iraqis would be held responsible for any harm that came to them.

French President Francois Mitterrand said France would send ground forces to the United Arab Emirates in response to the crisis and military trainers to Saudi Arabia.

France said Monday its seven-ship Gulf force would use "firmness" to halt trade with Iraq, drawing a warning from an Iraqi parliamentary spokesman:

"We declare that French nationals will be treated like Americans if the French indeed implemented their statements and turned them into action." Iraq has detained 33 French nationals.

France hosted an emergency meeting of the Western European Union, a nine-state security alliance, which decided to bring its military commanders together to coordinate action.

Italy, Spain, Belgium and Greece yesterday all agreed to send warships to the Persian Gulf area to enforce a U.N. embargo on trade with Iraq. They will join British, French and Dutch fleets already in the crisis zone or on their way.

Arab troops were also supporting the effort with Syria confirming it had sent an expeditionary force to Saudi Arabia.

In London, British Prime Minister Margaret Thatcher urged the United Nations to authorize the use of military action to stop Iraqi tankers in the Persian Gulf. Mrs. Thatcher said she would refuse to negotiate with Iraq to win freedom for Britain's 4,500 hostages.

"As President Bush pointed out yesterday, Saddam Hussein is trying in his tactics to hide behind Western women and children and use them as human shields and use them as part of his negotiations," she said at a news conference.

To bolster U.S. forces depleted by the massive deployment of troops in Saudi Arabia, Mr. Bush planned to order thousands of military reservists into active duty. Administration officials said the executive order would probably be open-ended, allowing the Pentagon to call up reserves as needed.

In the Persian Gulf, Defense Secretary Richard Cheney met with Saudi officials to share military intelligence and discuss the possible sale of additional F-15 fighters and heavy tanks to bolster the kingdom's defenses.

In the face of all this activity, Iraq's leaders again predicted that Iraq's vast army would decimate the U.S.-led multinational force in a war.

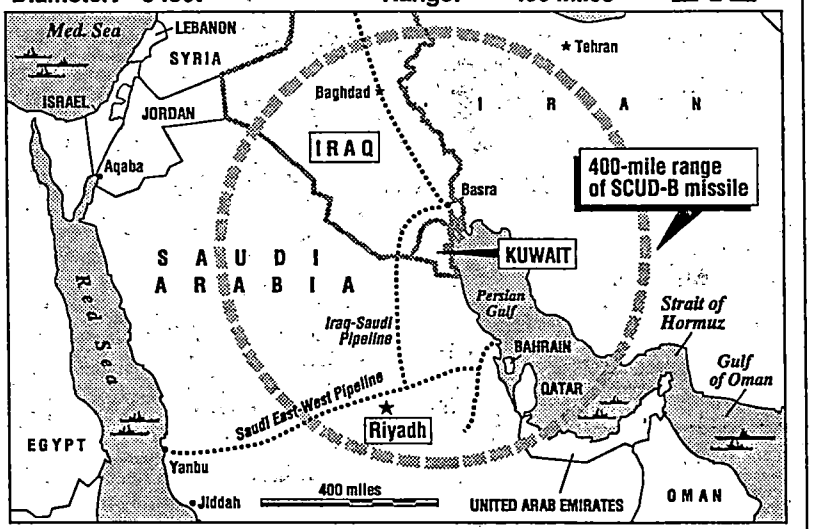
"The Americans have prepared the ground for a war of aggression. If the Americans think this is a vacation like they had in Panama and Grenada, this will be a bloody conflict and America will lose and be humiliated," Mr. Aziz said.

TARGET: SAUDI ARABIA

Riyadh is in striking distance of Iraqi missiles in Kuwait.

Iraq has moved 800 ballistic missiles into Kuwait. The Soviet-made Scud-B ground-to-ground missiles have been upgraded to increase their range to 400 miles. The Iraqi version, called the al-Husayn, can strike Riyadh and U.S. troops positioned north of the Saudi capital. The weapons, mounted on mobile launchers, can carry high explosive or chemical warheads.

Type:	**Surface-to-surface artillery missile**
Warhead:	**Conventional or chemical**
Length: 40 feet	**Weight:** 15,400 lbs.
Diameter: 3 feet	**Range:** 400 miles



Map by Paul Woodward / The Washington Times

J.A.G. WASH. TIMES 8/22/90

Threat to hostages stiffens resolve of Western Europe

FROM COMBINED DISPATCHES

The threat by Iraqi President Saddam Hussein to use Western hostages as a human shield stiffened Western Europe's resolve yesterday to send more troops to the Persian Gulf as Arab nations stepped up pressure on the Iraqi dictator to withdraw from Kuwait.

European foreign and defense ministers presented a tough and virtually united front at emergency meetings in Paris of the European Community and the Western European Union.

But some reports from Paris spoke of a possible rift between French President Francois Mitterrand and Defense Minister Jean-Pierre Chevenement, who apparently objected to the dispatch of 150 desert-trained scouts to the Gulf area after intelligence reports that an attack on Iraq was "imminent."

Egypt urged Mr. Hussein to withdraw from Kuwait or face a war "that will devour everything." Syria confirmed it is contributing troops to protect Saudi Arabia — another sign of growing Arab support for the U.S.-led multinational force there.

Western Europe initially offered an array of cautious responses to the Persian Gulf crisis, but Mr. Hussein's plan to turn foreign nationals into Iraqi hostages has drawn Europe toward a tougher stand.

The new moves signaled mounting anxiety about the threat hanging over the 7,700 Western Europeans trapped in Iraq and Kuwait.

Italy, Spain, Belgium and Greece yesterday all agreed to send warships to the Persian Gulf area to enforce a U.N. embargo on trade with Iraq. They will join British, French and Dutch ships already in the crisis zone or on their way.

AP

British Prime Minister Margaret Thatcher answers a question at yesterday's news conference.

Mr. Mitterrand, in a separate news conference in Paris, said France would send ground forces to the United Arab Emirates but did not specify the number. About 1,000 U.S. troops arrived in the UAE yesterday after the country's request on Sunday for American military protection.

Defense ministers of the nine-nation Western European Union, the only all-European forum dealing with security and defense, warned Iraq of "serious consequences" should foreigners be harmed.

Foreign ministers of the 12-nation European Community rejected Iraqi's Friday deadline for the closure of foreign embassies in Kuwait, which Iraq invaded Aug. 2. Iraq later announced it was annexing Kuwait.

French Foreign Minister Roland Dumas opened the meeting by calling the trapped Westerners "hostages" and saying their plight "revolts us." It was the first time France, which has the second-largest military force in the Gulf after the United States, referred to the Westerners as hostages. An estimated 560 French nationals are in Iraq and Kuwait.

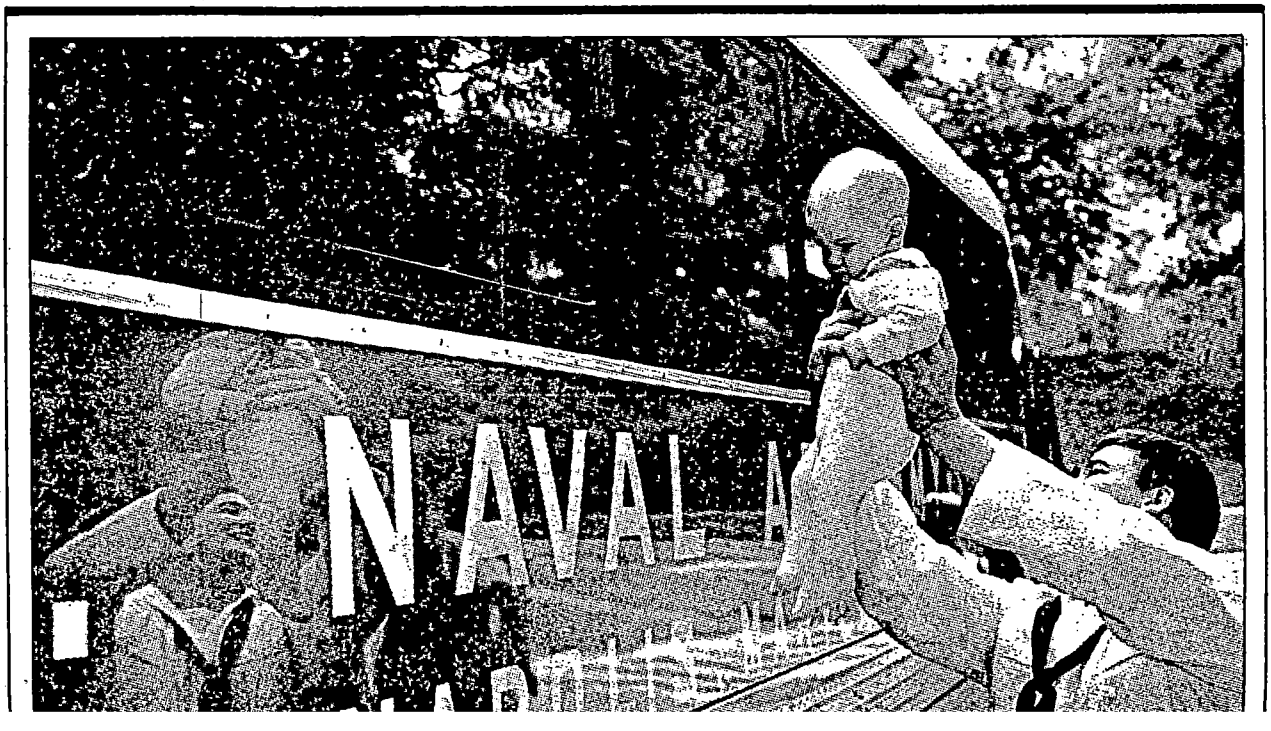
The European Community also decided to provide financial aid for Turkey, Jordan and other countries whose economies have been badly hit by the Gulf crisis, the first such move by the West.

In London, British Prime Minister Margaret Thatcher called for another U.N. resolution to authorize the use of military force to make the international embargo against Iraq work. "That resolution must have teeth, if it's to be effective," she said.

Egyptian President Hosni Mubarak, who has rallied Arab opposition to the invasion, appealed to Mr. Hussein "in the name of everything sacred on our Arab soil ... in the name of Islam, the religion of peace" to withdraw from Kuwait and avoid "a destructive war that will devour everything."

MUBARAK

In Damascus, the Syrian government confirmed it has sent troops to help defend Saudi Arabia against possible Iraqi attack. Diplomatic



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The Associated Press

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August 21, 1990, Tuesday, PM cycle

SECTION: International News

LENGTH: 295 words

HEADLINE: Mubarak Urges Saddam To Abandon Kuwait, Avoid "Destructive War"

BYLINE: By MAURICE GUINDI, Associated Press Writer

DATELINE: CAIRO, Egypt

KEYWORD: Gulf-Egypt

BODY:

President Hosni Mubarak urged Iraqi President Saddam Hussein today to withdraw his forces from Kuwait to avoid "a destructive war that will devour everything."

Mubarak said he was timing his appeal "at these critical, decisive and difficult hours."

Announcers read Mubarak's statement on the state-owned national television and Cairo Radio. It was preceded and followed by nationalist songs and martial music, with film clips emphasizing Arab unity showing Mubarak and Arab leaders, including Saddam.

The president said he was making his appeal "in the name of everything sacred on our Arab soil ... in the name of Islam, the religion of peace ... in the name of Arab nationalism ... in the name of every man, woman and child on our Arab land."

In urging an Iraqi pullout from Kuwait, conquered on Aug. 2 and annexed six days later, Mubarak also asked for restoration of the ousted government of Sheik Jaber al-Ahmed al-Sabah.

The president expressed confidence that if Saddam did as he asked, the Arabs would be able to settle the Iraq-Kuwait dispute peacefullly.

"In the name of light, good and right, I appeal to President Saddam Hussein to save both man and entity in our Arab world from a destructive war that will devour everything," Mubarak said.

"God only knows what the terrifying outcome will be if war begins, or how much damage there will be if the fire erupts, taking us backward into total darkness and loss.

"I appeal to President Saddam Hussein to make the decision to withdraw Iraqi forces from the land of Kuwait so that conditions there would return to what

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they were."

Mubarak said Arabs everywhere look to Saddam to "take this initiative, which would be appreciated in the Arab world and the whole world west and east, north and south."

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Davis
September 4, 1990
Title: Y
Draft: Four

PRESIDENTIAL ADDRESS TO A JOINT SESSION OF CONGRESS
9 p.m., TUESDAY, SEPTEMBER 11, 1990

Mister President, Mister Speaker, Members of the Congress, distinguished guests, fellow Americans, thank you:

We gather here while brave young members of the Armed Forces stand in harm's way -- in a distant desert and on distant seas to protect the rule of law. We gather in the aftermath of an outrageous and callous act -- Iraqi aggression in the Persian Gulf.

My purpose tonight is to clarify what is at stake -- and what we, **together**, must do to defend civilized peoples around the world, and economic strength here at home.

Make no mistake: Peace is at risk.\\ Lives are at risk.\\ The global economy is at risk.\\ Indeed, the shape of a new world order is at risk.\\

But something else is clear: **America\\ will\\ not\\ be\\ terrorized.**

So I am sure we all agree: If there ever were a time to put country before self, and patriotism before party, **that time is now.**

Let me thank you all, Republicans and Democrats, for the bipartisan support you have shown in the face of terrorist aggression.

We are all reminded that there are far greater risks and sacrifices than any we are called to make in Washington. I recently read of a Marine Master Sergeant from Oceanside, California, a self-described "old war horse" who served in Vietnam. But this same seasoned veteran is also a single father who says that the toughest moment in a Marine's life is leaving his kids behind. Such partings, in his words, are "like opening up your chest and pulling out your heart." \\\

So when we stop to think that these valiant men and women in our Armed Services volunteered to be ready at a moment's notice, to leave familiar posts and careers, their spouses, their children, to put themselves on the front-line half-way around the world, **then we know who keeps America great.\\ They do.**

Let us also return a salute to the military leaders with us tonight -- the first-class professionals of the Joint Chiefs of Staff. General Powell, Chiefs, **what a magnificent job you have done.** The response of the men and women of the United States Armed Forces over the past few weeks has been **nothing short of heroic.**

In the face of danger, they are brave. In trying circumstances, their morale is excellent. Helping to keep the world free from further aggression, they make us all **proud.**

I wish I could say their work is done. But we all know it isn't.

Saddam Hussein **started out** as a terrorist. And he is **still** a terrorist. But we can take hope from this: The world has united against him.

It is a testament to his isolation that the United Nations Security Council has passed five resolutions opposing his actions, without a single dissenting vote. And now Arab soldiers from Damascus to Cairo, from Mecca to Marrakesh, and nations as diverse as Norway and Bangladesh, have stood up in defiance to his aggression.

In the world community, **the man is an outlaw. His brazen aggression cannot be allowed to stand.**

When small nations become the souvenirs of tyrants; when innocents are held hostage; when world commerce and diplomacy are assaulted at gunpoint, **America will not be an idle observer. America <u>will</u> act.**

Our objectives are clear and unchanging: Iraq must withdraw from Kuwait completely, unconditionally, restoring the legitimate government of Kuwait.\\ The security and stability of Saudi Arabia must be assured.\\ The risk of future terrorist aggression must be reduced.\\ **And we're going to defend American citizens and American interests abroad.**

The situation we face is what some have termed the first crisis of the post-Cold War era. The way we respond will shape the way the world will live for decades to come.

So it is important that we stay true to certain principles:

We should not allow the lessening chance of superpower conflict to be replaced by a greater threat from local bullies and the terrorists they bankroll.

In the context of a post-Cold War world, the **responsibility** of the United States to protect our cherished values is not diminished. Just the opposite. We are the world's number one economic and military power. Our responsibility is evident, inescapable.

Our efforts to protect rules of law and decency must, where possible, be **cooperative** -- exercised in concert with other responsible nations in the international community. An effective system of cooperative action -- economic sanctions, enforcement and financial burden-sharing -- can make unilateral aggression unlikely, and unilateral corrective action, unnecessary.

Finally, we remember the lesson learned at horrendous cost half-a-century ago: Rather than wait in the naive hope that aggressors will lose their appetite for conquest, it is far better for the defenders of civilized values to act in concert -- **early and decisively.**

Hand-in-hand with the world community and the Security Council of the United Nations, **we've done just that.**

Our stand can do much more than reverse the Iraqi aggression. Out of these troubled times, a new world order can emerge. We can establish an historic precedent of cooperation -- making the post-Cold War era more free from the threat of

terror; stronger in the pursuit of justice; more secure in the quest for peace.

And it is this vision I shared with President Gorbachev two days ago in Helsinki. He told me that the Soviet Union was ((withdrawing its remaining 133 advisors from Iraq in protest)), the latest bold stroke of his bold new thinking. But even before that, when the Soviet Union joined with us in the United Nations, then I knew: **The Cold War is over.**

But like a receding tide, the ebbing of the Cold War has revealed a forgotten landscape, a landscape of ancient animosities and ambitions. **That is why America must lead.**

That said, I know there are some who will question America's staying power. I do not know how long it may take for internationally mandated sanctions to work. And I cannot know whether Saddam Hussein will be so unwise as to compound his provocation. But I can assure you:

America must support the rule of law. **And we will.**

America -- and the international community -- must defend innocent countries against aggression. **And we will.**

America must protect her vital interests. **And we will.**

And one thing more\\ . . . America will <u>never</u> give in to blackmail.

I cannot say how long American troops may have to stay in the Gulf before we achieve our objectives. That depends, to some extent, on Iraq.

But we must avoid the greatest cost of all -- the cost of hesitation and indecision. Left unchallenged, Saddam Hussein could dictate the world price of oil. No one doubts he would advance these ambitions by weapons of mass destruction. But this is not, in the long run, about oil or one's man's ambition: This is the first assault on the post-Cold War world, the first test of our mettle. Had we not responded to this first provocation with clarity of purpose; if we do not continue to demonstrate our determination; we would send a signal to a half-dozen despots around the world. **Let us tell the world tonight: A green light to aggression is a signal America will never send.**\\\

So even as we try to keep the costs of Operation Desert Shield to a reasonable minimum, **American resolve will be kept at a premium.**\\\

There is, of course, a heavy price: **The risk to American lives.** Precious lives have already been lost. More lives will be lost if military conflict breaks out. Even if it doesn't, there are economic costs -- **steep costs.**

The price of oil is already up. This will take its toll on the economy. But it need not throw us into deep recession.

After all, we are working with oil-producing countries to replace lost Iraqi and Kuwaiti production. Their help, with the option of the Strategic Petroleum Reserve, if necessary, can keep oil prices from rising to levels that would hurt the economy. In fact, oil prices may, in time, start coming **down.**

Our military deployment also costs money. We have developed a plan to share this expense -- and the cost of other nation's economic burdens -- among those allies who have the ability to finance our collective action. So I have dispatched top Cabinet officials to tell our allies this: **At the very most, we encourage collective action; at the very least we expect a sharing of the collective burden.**

But financial responsibility should **begin** at home. In order for America to lead, America must be strong and vital, able to respond to **any** kind of challenge. On the surface, a crisis in the Persian Gulf and a troubling budget deficit seem to have little in common. But America's world leadership and domestic strength are not separate domains; they are mutual and reinforcing; they are a woven piece, as firmly bound as Old Glory.

The effects of higher oil prices, slower growth, and higher defense costs will only make our fiscal deficit problem worse. It was already worse than it should have been -- at a projected $232 billion for the coming year. **This, too, cannot stand.**

The Congress should act this very month -- before the next fiscal year begins -- **to get our economic affairs in order.** If anyone needs another reason to act, the Iraqi situation should help focus their mind. We are more vulnerable economically than we should **ever** be. **American must never again enter a crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of federal debt.**

It is up to us to straighten this out -- not after election day, or next year, but NOW.

Most Americans are fed up with endless turf battles between the Congress and the Administration over economic policy. **It is time for us to pull together -- and get the job done right.**

For the job to get done, five things have to happen.

First: **The Congress should, this month, enact tax measures that propel growth** -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the long term. Specifically, I ask you to extend incentives for research and experimentation; expand the use of IRAs for new homeowners; establish tax-deferred Family Savings Accounts; create incentives for the development of Enterprise Zones; and yes, **reduce the tax rate for capital gains.**

I know that a minority in the Congress likes to say that a capital gains rate cut looks unfair on some tax expert's distribution table. But let me say what's unfair for most Americans: **Recession is unfair.** The loss of a job is unfair.\\ So for those who care about fairness -- and I am one -- I say: **Don't hold America back.**

Second: **The Congress should, this month, enact a prudent five-year defense program** -- one that reflects both improved East-West relations, and the continuing risks of outlaw action and regional conflict, so vividly brought home to us by Iraq. The defense budget can decline in real terms, even after

including the costs of our Persian Gulf deployment. Over five years, defense outlays can be reduced below the baseline by ((dollar amount)) billion. But beyond that, one crosses a line that threatens a vital margin of safety. Given my Constitutional obligation as Commander-in-Chief, **that is a line I cannot cross.**

The world is still a dangerous place, where regional instability could flare up into a wider conflict. Surely that is now clear. American interests are far-reaching, and tightly bound to the fates of other nations. **This is no time to trifle with our ability to protect America's vital interests, wherever they may be.**

Third: **The Congress should, this month, enact measures to increase domestic energy production and energy conservation -- so we can cut our dependence on foreign oil.** These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources. ((Other measures to come.))

Fourth: **The Congress should, this month, enact a five-year program to reduce the projected deficits and debt by $500 billion** -- yes, you heard that right -- **by half-a-trillion dollars.** If Congress presents me with an acceptable program by the end of this month, America will avoid the clumsy meat-ax approach called the "sequester" -- deep across-the-board cuts that would undermine our forces in Saudi Arabia, and inflict needless pain at home.

I also ask that Congress present this comprehensive, five-year deficit reduction program to me as a single legislative package -- with associated measures to assure that it can be fully enforced. The American people are tired of phony deficit reduction, tired of the promise-now, save-later-plan. **Enough is enough. It's time for a deficit reduction plan that is not cynical, but credible.**\\\

Fifth, and finally: **The combination of these legislative actions should allow the Federal Reserve to ease interest rates** -- in a setting of economic growth, without greater inflation. I have discussed my proposals in detail with the Chairman of the Federal Reserve Board, Alan Greenspan. He assures me that if Congress promptly enacts the program I am recommending tonight, he will then ((insert to come.))\\\

In addition to discussing this program with the Fed Chairman, I have today provided it, in detail, to the members of the Budget Summit negotiating group.

Our deficit reduction program must meet a few basics:

*** **It must be responsible:** So our plan includes the measures I've recommended to **increase economic growth** and **reduce dependency on foreign oil.**\\\

*** About one-third of our savings can come from defense, one-third from domestic spending programs, and one-third from revenue measures. So that no group of programs or people escapes responsibility, or bears the burden alone, **it must be fair.**

*** In order that it reaches beyond the visible parts of the budget and begins to control the government's expanding **credit programs** and **hidden liabilities, it must be comprehensive.**\\\

*** **And our deficit reduction plan must be in the spirit of reform:** So our program reforms the **budget process** to provide some of the tools that have allowed many governors to keep state budgets under control -- like **"pay-as-you-go"** requirements and the **line-item veto.**\\\

*** **Our plan must be enforceable.**

*** And, to the extent that it includes new revenues measures -- which it does -- **it must not threaten economic growth by raising income tax rates.**\\\ I know there are some who are anxious to raise income-tax rates. **But that is one path we must not head down again.**\\\\

To the Congressional members of the Budget summit, you remember my first call for negotiations many months ago. The negotiations have already dragged on weeks and months too long. I have already taken the personal risk demanded of me, and so have others. The plan I offer tonight is a further effort to bring us together this week.\\\

Of course, this plan will not fully satisfy any of us. But it will do the job that needs to be done. Once again, **that job must be done <u>now</u>.**\\\

I hope the Summit leaders will agree to my plan. But with or without their agreement, I ask both Houses of Congress to

allow ((**a straight-up-and-down vote**)) on my comprehensive package -- no later than September 28th.\\\

If the Congress fails to enact this compromise package, Americans will have to face sequester, a greater risk of recession and greater military risks abroad. If, on the other hand, the Congress responds favorably, we will, at last, have put ourselves on the right course.

I'm sure you agree, these are challenging times, at home **and** abroad. Challenges that seem separate, but will set the course of our common destiny. America's destiny is to be a leader. Whether it is living up to our global duties, or tackling the most intractable problems at home, America's destiny has always been to lead.

I am hopeful. Once again, American men have stepped forward to do their duty. They have shared a tearful goodbye with their families before leaving for a strange and distant shore. And in the 1990s, when **some** of our soldiers, our sailors, our "airmen", our Marines depart for active duty, the last thing they hear is: "Mom,\\ don't leave."

((Who hasn't heard or read of someone like Marian Sides? She's the Air Force reservist whose parting gift from her granddaughter was a drawing of a military plane with curtains closed, so, the little girl said, "the bad people couldn't look in." Touched though she was, Marian Sides reported to duty, saying: "I'm a patriot -- I was born on Memorial Day -- and I love a challenge."))

At this very moment, the sons and daughters of America stand shoulder-to-shoulder in the pathless dunes of the desert with the sons of Arabia, the sons of Europe, the sons of many lands. If they can come together under such adversity, surely we who are so fortunate, so comfortable, can come together to fulfill our responsibility here.\\\\

Thank you, and may God bless our brave men and women in the Middle East, every one.

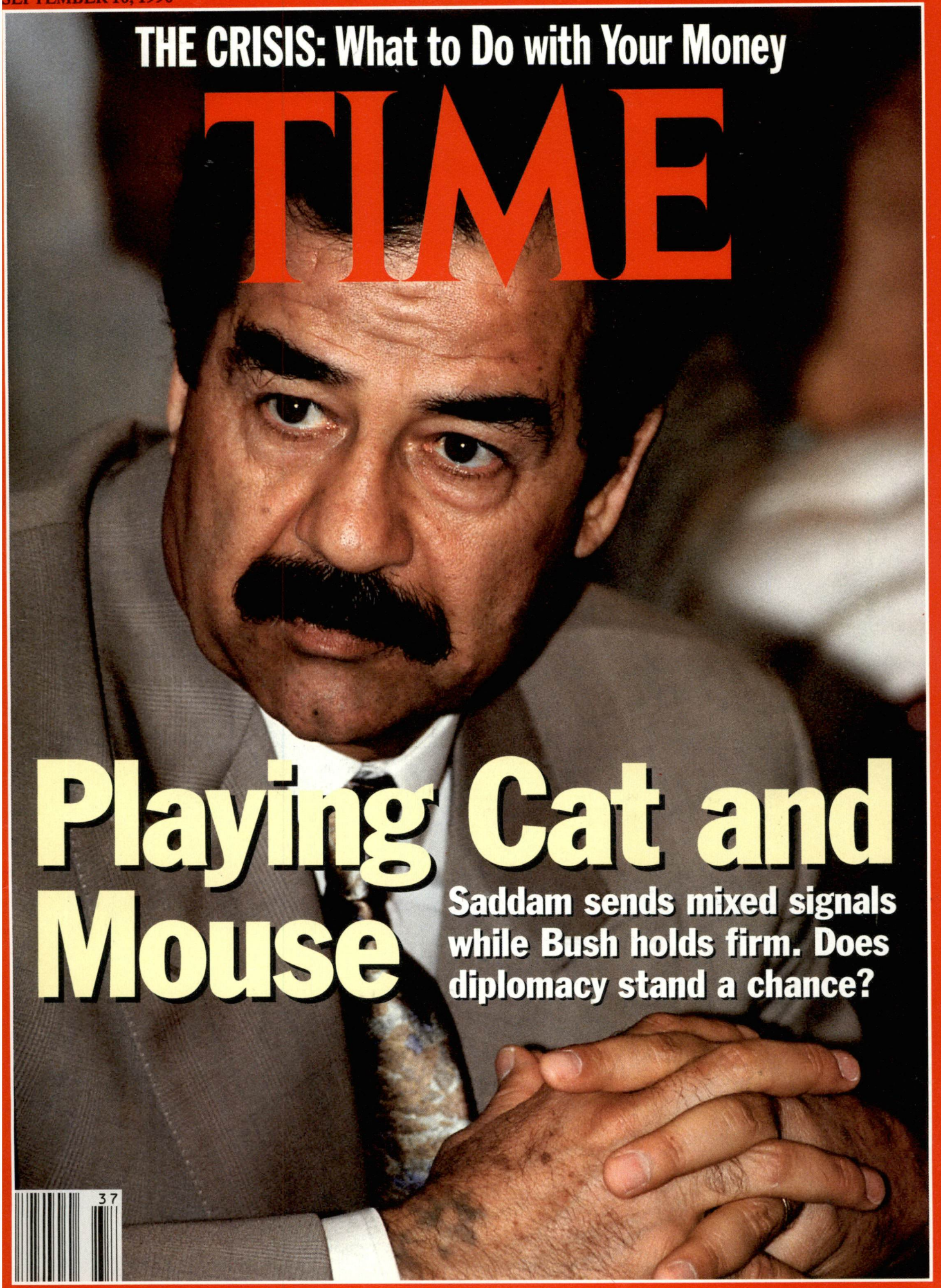
# # #

SEPTEMBER 10, 1990

$2.50

THE CRISIS: What to Do with Your Money

TIME



Playing Cat and Mouse

Saddam sends mixed signals while Bush holds firm. Does diplomacy stand a chance?

37

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Vol. 136, No. 11

SEPTEMBER 10, 1990

TIME

THE WEEKLY NEWSMAGAZINE

BARRY IVERSON

THE GULF: Everybody is talking, but there isn't much to negotiate in the gulf

Both sides in the crisis seem to be looking for an exit, but neither gives way on its basic—and irreconcilable—demands. ▶ **In an interview** with TIME, Egypt's Hosni Mubarak voices fears of war. ▶ **The loudest dissent** against Bush's gulf policy comes from, surprise, the right wing.

20

NATION: Black and female candidates are making politics a new ball game

For years, white males have had elections all to themselves. But the tactics they devised for running against each other can ricochet when their opponent is female or nonwhite. ▶ **The other war**—on the mounting deficit—resumes in Washington this week. The deficit is likely to win.

40

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Vol. 136, No. 11

SEPTEMBER 10, 1990

WORLD: Civil war and tribal carnage in Liberia

No peace for West African troops to keep. ▸ East and West Germany have a bout of pre-unity nerves. ▸ In the Mohawk impasse, Canadian troops stage a raid.

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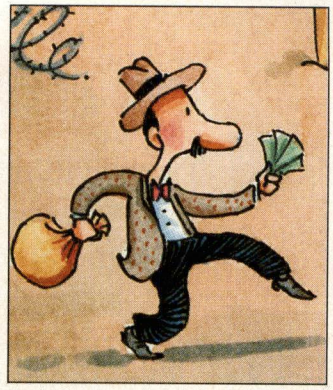

BUSINESS: Where to put your money in a time of crisis

TIME's Money Angles columnist offers survival guidelines for a time of economic turmoil. ▸ Who invented the microprocessor? Gilbert Hyatt did.

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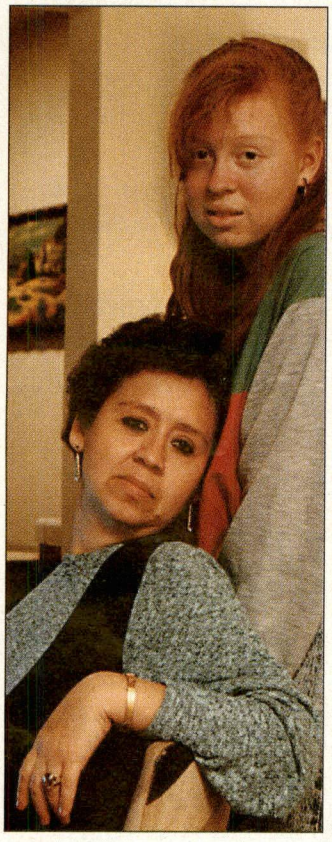

LIVING: For the millions of workers who must make do on the minimum wage, life is no American Dream

These are the families whose entire household budgets shudder when the price of gasoline rises a dime a gallon; whose sons and daughters join the Army to pay for their schooling; whose jobs are most vulnerable when the economy crawls toward recession.

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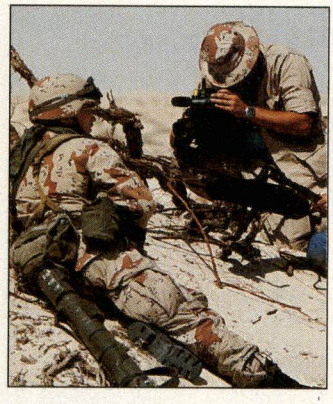

PRESS: On a short leash

In the post-Vietnam era, reporters covering the gulf crisis must contend with a long list of Pentagon rules.

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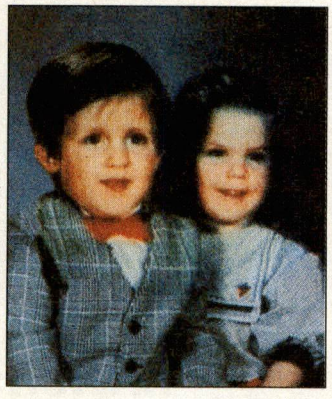
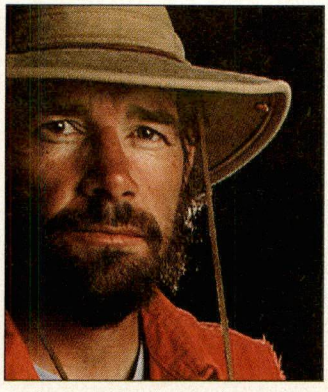


ETHICS: Demanding the gift of life

In Illinois a father sues to force his three-year-old twins to donate bone marrow to save the life of his other son. If the courts agree, where will they draw the line?

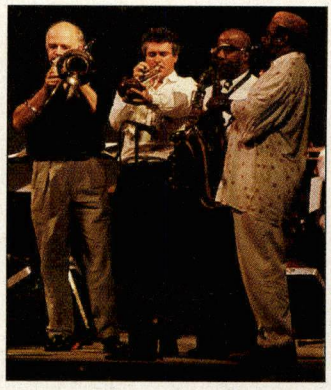
70



PROFILE: No one knows dinosaurs like Jack Horner

The unconventional paleontologist wants you to know them too. Who cares what killed them off? Horner is more interested in how they lived.

76



MUSIC: A jazz masterpiece finally gets its due

More than two hours long, the late Charles Mingus' *Epitaph* blends atonal passages and improvised solos in a style as challenging as Stravinsky's *Rite of Spring*.

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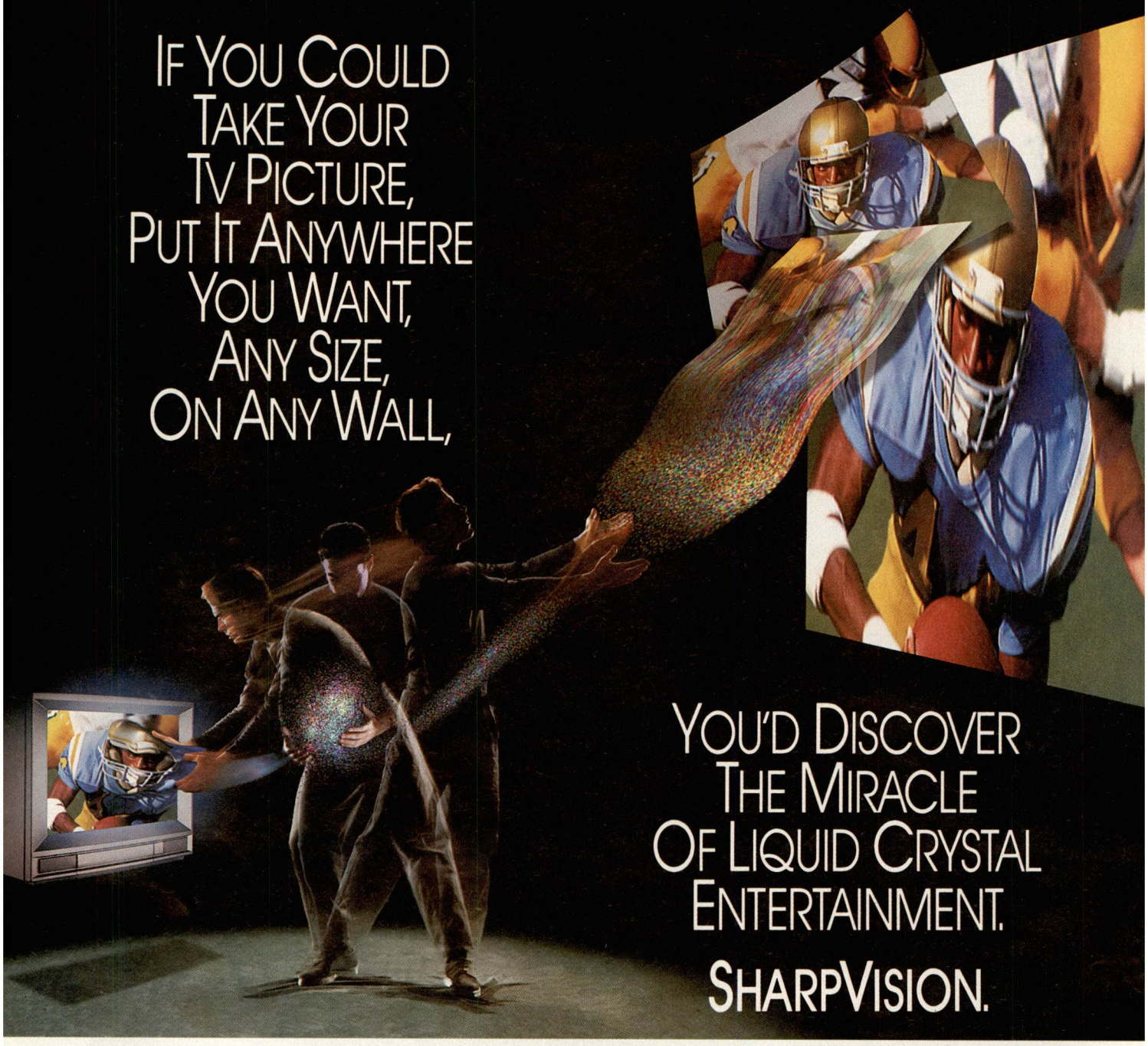

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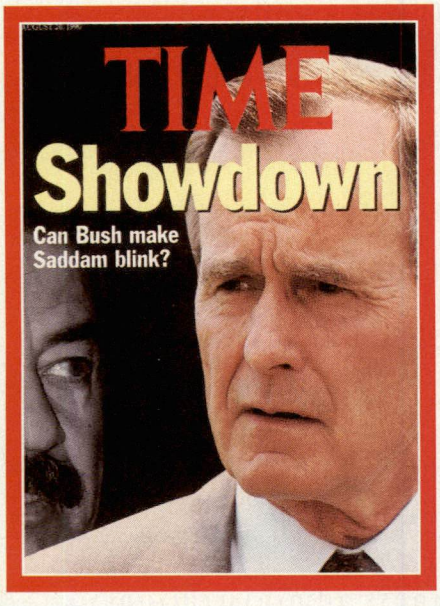
LETTERS

SHOWDOWN

"The problem is not who controls the world's oil; it is that the oil controls us."

Russell P. Richmond
St. Joseph, Mich.



Iraq, despite its protestations about its invasion of Kuwait, must learn that the oil weapon points both ways [THE GULF, Aug. 20]. A country that deliberately messes with a commodity like oil shouldn't be surprised if the whole world screams.

Linden Malki
San Bernardino, Calif.

It's time we Arabs had a leader like Saddam Hussein who will give us back our identity. We are not the servants of the West. If a poll were taken in the Arab world, the majority would choose an end to the rich sheiks, puppets of Washington.

Mohammed Abdul Rahman Khan
New York City

Three cheers for the U.S. for showing the tyrant Saddam that the civilized world will not tolerate another Adolf Hitler.

Kieran Furey
Curraghroe, Ireland

The situation in the Middle East will remain volatile indefinitely because the West sees unity in this region as a threat.

Michael John Hamma
Flagstaff, Ariz.

Q. What ever happened to the boy next door?
A. He was killed in the Middle East, fighting for oil.
Q. So he died for democracy?
A. Not in the Middle East.

Joseph W. Mosser
Rehoboth Beach, Del.

That Line in the Sand

The frequent repetition of the phrase "draw a line in the sand" in connection with the gulf crisis [WORLD, Aug. 13] brings to mind what may be its earliest use. In 168 B.C., Caius Popilius Laenas, envoy of the Roman Senate, met Syrian King Antiochus IV, who was intent on conquering Egypt, outside Alexandria to deliver the Senate's command to end the Syrian invasion. When Antiochus wished to delay his decision, Popilius drew a line in the sand around the Syrian King and told him he must give an answer before stepping out of the circle. Antiochus agreed to the Roman demand and withdrew his forces, even though the Romans had no army on the scene. Such was the moral power of the Roman Republic.

Albert C. Leighton
San Antonio

Denver's New Airport

I object to your story on the development of the new Denver International Airport, which is now under construction [BUSINESS, Aug. 13]. I have been the principal supporter of the airport since January 1985. My decision in 1986 to expedite the construction schedule because of its importance to Denver's economy was applauded by both my supporters and nonsupporters. The implication that it was linked to campaign contributions not made until after I was re-elected in 1987, nearly a year later, is flatly untrue.

Federico Peña, Mayor
Denver

Steele's Views

Critics of Professor Shelby Steele's thesis that blacks must rely on their own efforts to succeed miss the point [NATION, Aug. 13]. Steele recognizes the negativism in focusing on one's status as a victim of racism. Since fighting one negative with another is ineffective, he favors a shift toward the positive pursuit of existing opportunities, however limited. Steele's own career supports the view that persistence and determination are worth a try.

Donald Lenox Mahan
Plainfield, N.J.

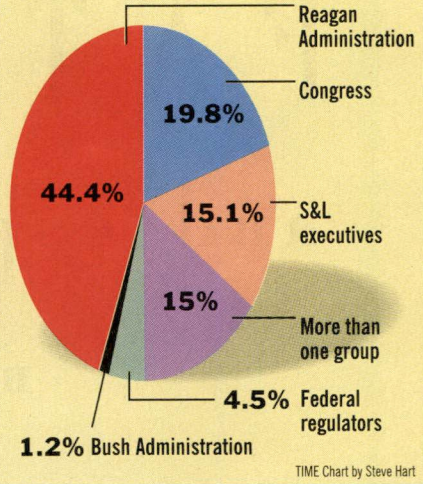
While it is true that I sent out 60 job applications after graduate school to find a teaching position, that doesn't necessarily mean there are few opportunities for blacks today. It merely shows that in 1974 the market was glutted with Ph.D.s in English. Some white classmates of mine sent out even more applications and got no job. Out of the thousands of doctorates granted each year, only a small fraction go to blacks. Discrimination is still a problem, but a greater one is the lack of educational development after some 20 years of affirmative action. If racism contributes to this imbalance, it hardly explains all of it.

Shelby Steele
San Jose

Considering the S&L Crisis

In our Aug. 13 issue, we asked for opinions about the savings and loan mess that is projected to cost Americans $500 billion or more. So far, we've received 4,113 responses. A tax increase to help pay off S&L debts quickly was decidedly unpopular, with 62.8% of those who answered voting against that proposal; however, 34.5% liked the idea. (That question was skipped by 2.7%.)

Though the Reagan Administration got the largest share of blame for the crisis, fingers pointed elsewhere as well:



TIME Chart by Steve Hart

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"I'd like to THANK my MOTHER my FATHER and especially my FAIRY GODMOTHER."

KARLA THOMAS

Miss Bethune-Cookman College 1989/90

JUST WHEN KARLA THOMAS THOUGHT she'd miss out on a college education, along came the United Negro College Fund waving its magic checkbook.

"It was a godsend," says Karla. "And being voted college queen last year was another huge thrill."

Thanks to a much-needed $7,500 annual scholarship, a lot of hard work and late nights, she'll graduate this year with a degree in business administration.

"Grad school's next on my list. So many more doors are open to me now!" she says.

Every year, the UNCF helps thousands of deserving black students realize their dreams.

The 41 private, historically black UNCF colleges and universities have long been committed to expanding the nation's brain reserve.

Making higher education a reality for many who never thought it possible.

Their motto, "A mind is a terrible thing to waste," sums up the UNCF's heartfelt motivation.

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Which is why the Toyota Scholar program has donated 16 scholarships to UNCF each year since 1988.

For Karla, Toyota's involvement has meant more than just financial support.

Last summer, she was an intern at our Lexus division in California.

Before long, she'll be out in the business world building herself a career.

Through hard work and a little help from her friends, some of her wishes have already come true.

TOYOTA

INVESTING IN THE INDIVIDUAL

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CRITICS' VOICES

By TIME's Reviewers. Compiled by Andrea Sachs

THEATER

BLACK AND BLUE. Tony winner Ruth Brown seemed irreplaceable as the comic heft of this gorgeous Broadway review, but LaVern Baker (also heard on the *Dick Tracy* score) gets the same laughs and is, if anything, torchier. In other regards this celebration of blues song and tap dance is better than ever: the all-black cast has infused a newfound Harlem funk into the Busby Berkeleyesque glamour.

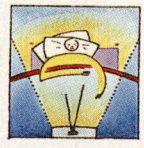
CAMILLE. Charles Ludlam died of AIDS in 1987, but his plays' nutty mix of drag-queen melodrama, camp slapstick and sly deconstruction lives on. His longtime companion and collaborator, Everett Quinton, restages and stars in yet another farce at off-Broadway's Ridiculous Theatrical Company.

MY CHILDREN! MY AFRICA! South Africa's laureate of liberal anguish, Athol Fugard, staged the production at La Jolla Playhouse, near San Diego, of this harrowing play about the breakdown of civility and of the possibility for compromise in his native land. As always with Fugard, the language is poetic, the vision inspiring and the truth unflinchingly confronted.

MOVIES

PUMP UP THE VOLUME. By night Mark Hunter is "Hard Harry," sole owner of a pirate radio station on which he endlessly, maniacally articulates sedition, sexual and social, to his schoolmates. His monologues very possibly constitute the most direct and original route into the junk heap of the adolescent mind that any moviemaker has yet found.

DARKMAN. Director Sam Raimi mines comic-book terrain with a plucky heroine, a couple of corporate villains and plenty of explosive violence that virtually reads KA-BOOM! in block letters across the screen.



TELEVISION

LEARNING IN AMERICA: SCHOOLS THAT WORK (PBS, Sept. 5, 9 p.m. on most stations). Roger Mudd is the anchor for a special on elementary schools that are using innovative teaching approaches.

MISS AMERICA PAGEANT (NBC, Sept. 8, 10 p.m. EDT). There he is, Mr. Miss America. Bert Parks, who got dumped as the pageant's longtime host in 1979, will make a return appearance this year to serenade a bevy of former winners.

LIFESTORIES (NBC, Sept. 12, 10 p.m. EDT). Of the networks' new fall entries, this slice-of-life-and-death series about people going through medical crises is one of the oddest. A downbeat mix of soap opera, psychological drama and medical-advice column, it will try to woo viewers away from *America's Funniest Home Videos*. Sort of NBC's death wish.

BOOKS

THE ANTS by Bert Hölldobler and Edward O. Wilson (Harvard; $65). The result of 20 years of collaborative research into the mysteries of the planet's most ubiquitous and useful invertebrate, superbly published to appeal both to specialists and laymen.

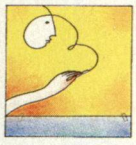
ILLUSTRATIONS FOR TIME BY VICTORIA LOWE

A WORLD OF OPPORTUNITY.

That's one very good way to describe the U.S. Armed Forces. It's a world of top-quality people and top-quality experiences. A world where a person can get hands-on high-tech training and learn skills to help build their future. It's a world that offers everyone the chance to grow and to become a leader.

FESTIVALS

Forget last year's cultural fad, the Soviets, and this year's fad, the Germans. The Los Angeles Festival is betting that in the long haul, changing U.S. demographics will give primacy to the Pacific Rim, defined loosely enough to embrace not only Bali and Korea but also Chile and Laguna Beach. The 290-plus events, 70% of them free, range from Thai transvestism to Buddhist religious ritual, Indian dance drama to Japanese music, with an emphasis on performance art over literary text—as one might expect from festival artistic director Peter Sellars, whose oddball adaptations of stage and opera classics leave no spectator indifferent. Samples: the six-hour *Dragon's Trilogy,* an East-meets-West tale performed in Chinese and English; court dance from Java; American Indian ceremonial dance and birdsong; street theater staged by a troupe made up of the homeless. The $5 million extravaganza sprawls over six dozen venues until Sept. 16, and some attractions continue into October.



ART

RENOIR: THE GREAT BATHERS, Philadelphia Museum of Art. Renoir's *Great Bathers* combined impressionist technique and the classical figure to produce a manifesto on how modern painting could also be monumental. The famous canvas is here surrounded with related paintings, drawings and sculptures. Sept. 9 through Nov. 25.

ROMANCE OF THE TAJ MAHAL, Virginia Museum of Fine Arts, Richmond. For more than three centuries, people have never tired of looking at—or portraying—India's fabled building, as attested by these models, paintings, drawings, photos and artifacts. Through Nov. 25.

MUSIC

PRINCE: GRAFFITI BRIDGE (Warner Bros.). The movie, a sequel to 1984's *Purple Rain*, is not out until October, but this funked-out, sizzling sound track won't wait that long. Sensual and spiritual: better grab it fast.

MARK WHITFIELD: THE MARKSMAN (Warner Bros.). This prodigiously gifted 24-year-old jazz guitarist is right on target with a mellow, bluesy swing that will have you jabbing the "repeat" button before the first tune is over.

BERLIOZ: LES NUITS D'ETE; MAHLER: SONGS (Bridge). The great mezzo-soprano Jan DeGaetani's last recording renders almost palpable the feelings of yearning and fleeting gaiety, along with the elegiac beauty, that make these songs, and her art, imperishable.

ET CETERA

SPLASH! Fashion Institute of Technology, New York City. A celebration of the swimsuit, from the armature worn by 19th century bathers to Rudi Gernreich's topless shocker (1964). Through Sept. 15.

THREE STOOGES FESTIVAL. N'yuk, n'yuk, n'yuk! At the Akron Civic Theatre, the legacy of Larry, Curly and Moe will be celebrated with 21 Stooges films, look-alike contests and a Curly Shuffle competition, complete with free kazoos. Sept. 7 to 9.

If you, or someone you know, are about to graduate from high school, contact any local military recruiter about the many opportunities in the U.S. Armed Forces.

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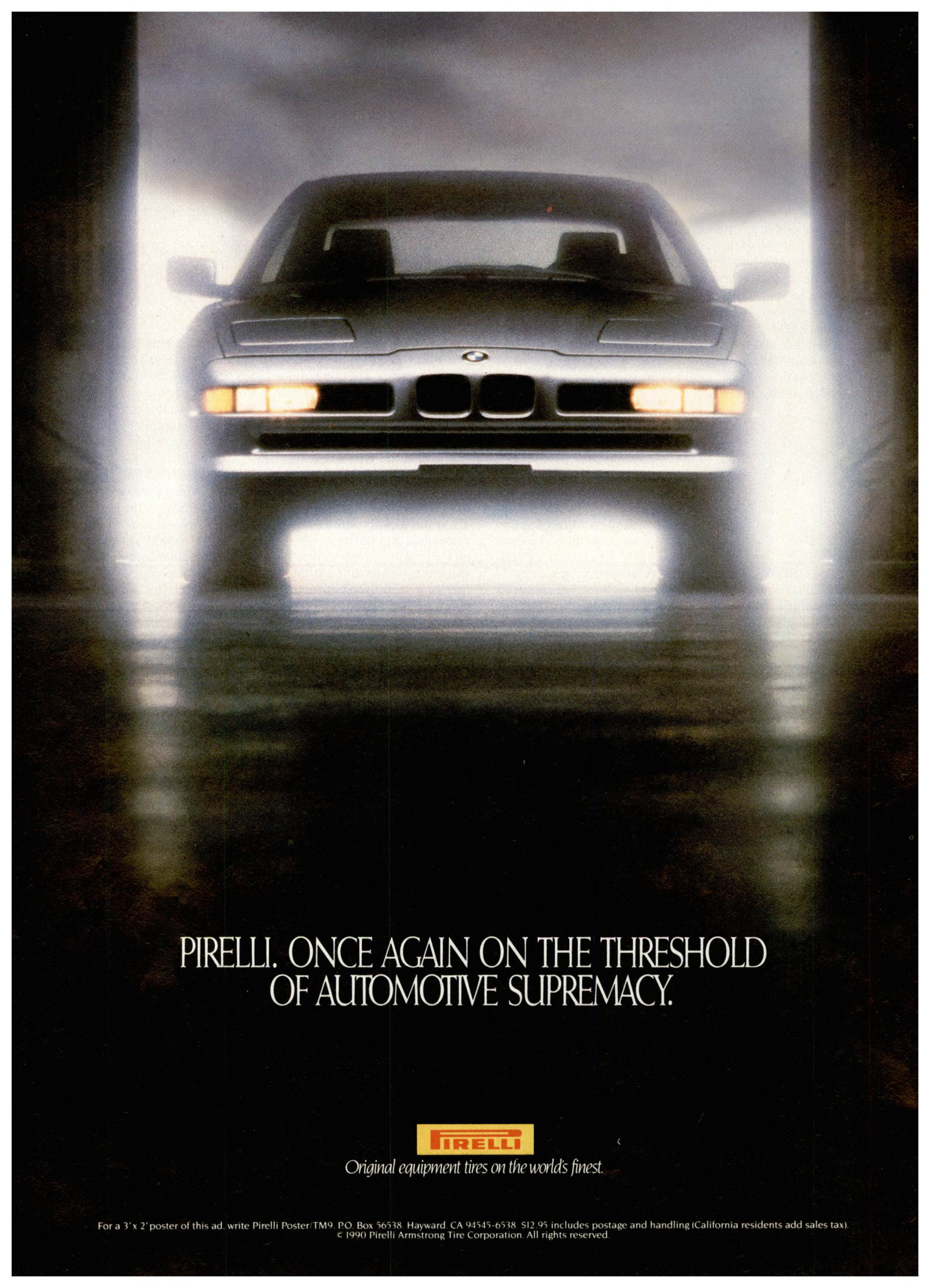
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AMERICAN SCENE

Ellsworth, Michigan

Going Home: Roots, but No Tracks

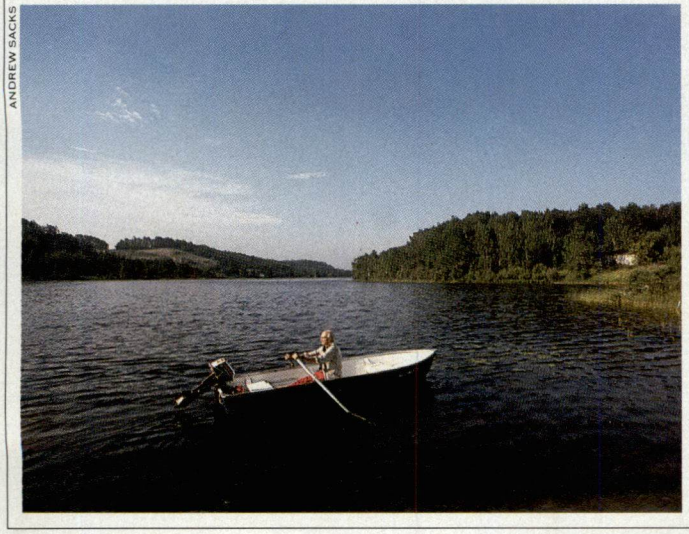
Trains don't stop in Ellsworth these days, but an unusual settler is remembered, and two fine restaurants are themselves memorable

By JOHN SKOW

I have his shaving mug and his last name. And I have a rough wooden chest in my office, knocked together in Denmark more than a century ago and addressed with brush and black paint: "F.H. Skow, Ellsworth, Antrim County, Mich., U.S.A." There is only one way to carry such a chest by yourself: pick it up and put it on your shoulder. When I do that, the hair rises on the back of my neck. I feel my Danish grandfather, old Falle Hansen Skow, picking up the chest one morning in 1872, when he was 16, easing it onto the back of a farm wagon, then riding with his father to the train station. The night before, he had carved his initials on a windowsill of his parents' farmhouse in Jutland, "so you won't forget me." A few years earlier, Germany had inhaled his part of Denmark, and thus as a teenager he was in danger of being drafted into the Kaiser's army. No thanks. His folks scraped together enough money to buy him passage to the U.S. So say the family stories, a bit hazy in parts, like everyone's family stories, though the windowsill and the initials were still there a century later.

Fast-forward to the summer of 1990: F.H.'s grandson is becalmed in his office, postponing chores by reading the New York *Times* food page. Abruptly, one of memory's custard pies sails out of a time warp and hits me in the snoot. The *Times* describes a fine restaurant, called the Tapawingo, serving cassoulet of morels, and veal with forest fettucine, dinners $22 to $32 with first course and salad, in—*SPLAT!*—Ellsworth, Mich. My reaction is dismay. Ellsworth doesn't belong in the *Times.* It belongs in my earliest memories, where it has been for the 40 years since I last saw it. Ellsworth is my grandfather's farm, with a huge scary bull, and the dark, musty air of the feedstore across the road, and railroad tracks, where I flattened pennies when the *Chicago Flyer* came by. Now some guy named Bruce is advancing on my boyhood with a gigantic pepper mill, saying he'll be my waiter for tonight. Yes, thanks, Bruce, I'll need a little time. Actually, I will need a trip to Ellsworth.

Fast-Midwestward to Michigan: F.H. died in 1937, and I was just old enough to remember him as a fierce-looking geezer with a sandy mustache. Today that would describe me, and at the coffee bar in Ellsworth's Viking Food Store, Pete Drenth, 77, said a couple of weeks ago that from the side he could see the resemblance. I was pleased to hear that. One of the other high-mileage gents passing the time over coffee heard my name and said, "You're the doctor who settled in Toledo." No, I told him, that was my father. "Oh, yes," he said, "I know who you are." He had me placed, and that felt good too.



ANDREW SACKS

The returning pilgrim adrift in memories and cucumber-dill soup with flowers

Both barns are gone and the manure pile and the woodshed and, for crying out loud, the privy

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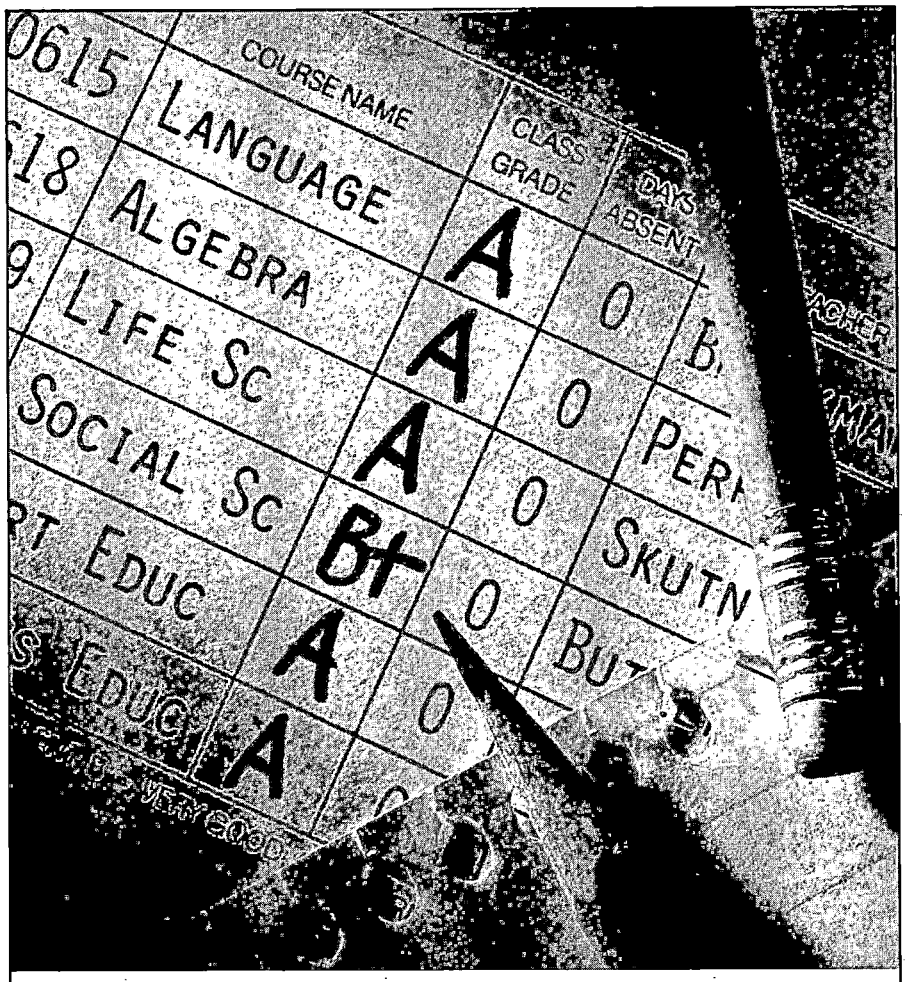
AMERICAN SCENE

Maybe the chest in my office did make that first voyage with my grandfather, but perhaps it came later. F.H. made three round trips to Denmark and back after he settled in Michigan, once to find a likely bride, Christine Sandberg, then to bring her to the U.S., and finally, after their five children were born, to give his wife one last look at home. One of the hazy bits in his story is how, before he emigrated, he knew of a tiny, unincorporated farm hamlet called Ellsworth (after Colonel Elmer Ephraim Ellsworth, the first Union officer killed in the Civil War). There were a few Dutch families in this rolling, forested country at the northern tip of Michigan's lower peninsula, but no Danes who might have written to say there were lumberjack jobs in the woods for a sturdy young man who didn't speak much English.

At any rate, the teenage and penniless F.H. found his way to Ellsworth and prospered there, somehow buying and selling farms and houses, building and operating a three-story hotel called the Orient, a shingle mill, a hardware store and a waterworks, and donating land for a station when the railroad came through in '92. That was the year he and two other men paid a surveyor to plot out the town. That year—and any other, according to a town history—he was good for a suit of clothes, or a railroad ticket, or the rent money, when someone was down on his luck. After the Depression, my father told me, F.H. made no effort to collect debts. He had never been much good at retrieving his money, which was odd for a man who in one lifetime used up all his family's financial-brilliance genes for several generations to come. While he was still a boy learning English in Michigan, he lent money he had saved for college to a friend—a Yankee, the town history reports—who skipped town. No matter; he went on lending and giving away money, and there wasn't much left when he died.

Big frog, small pond; an even smaller pond today, with fewer than 400 residents. I look around for the train station, but it's not there. No tracks, either; they were ripped up "Oh, quite a few years ago now." A big prosperous food-canning factory that my grandfather and some other townsmen started in the '20s petered out, I learn, in the early '70s. A steel-fabricating plant operated there for a few years, then went belly up, and now a toxic-waste cleanup putters along in a clutter of rusted metal. Ellsworth Lake is still where it was when my father and I would shove off at first light in a borrowed rowboat, seats slicked by dew, to fish for perch and crappies with bamboo poles and worms. Now a friendly fellow who is launching a $15,000 bass boat, complete with electronic fish-finder, says the water is a funny color near the dead steel factory. But Ellsworth's houses and churches are painted, and yards are



TO SOME CHILDREN, THIS REPORT CARD IS A DISASTER.

The pressure to succeed isn't restricted to Harvard MBAs or thirty-year-old fast-trackers.

Today's children and teens often carry incredible amounts of stress, brought on by grade expectations, family arguments, serious family illness, even dating problems.

To help your child—and you—develop a healthy response to stress, the National Parent-Teacher Association (PTA®) offers the following tips:

1. Show open affection and acceptance toward your children, and pay attention to their feelings.
2. Help young people set realistic goals.
3. Talk with your children about family changes they might be experiencing—divorce, moving, unemployment, death.

Do it today, so you can keep your children's problems from growing faster than they are.

THE NATIONAL PTA

Kids are counting on you.

PTA is a registered service mark of the National Parent-Teacher Association. Only those groups that are members of the National PTA may use its name.

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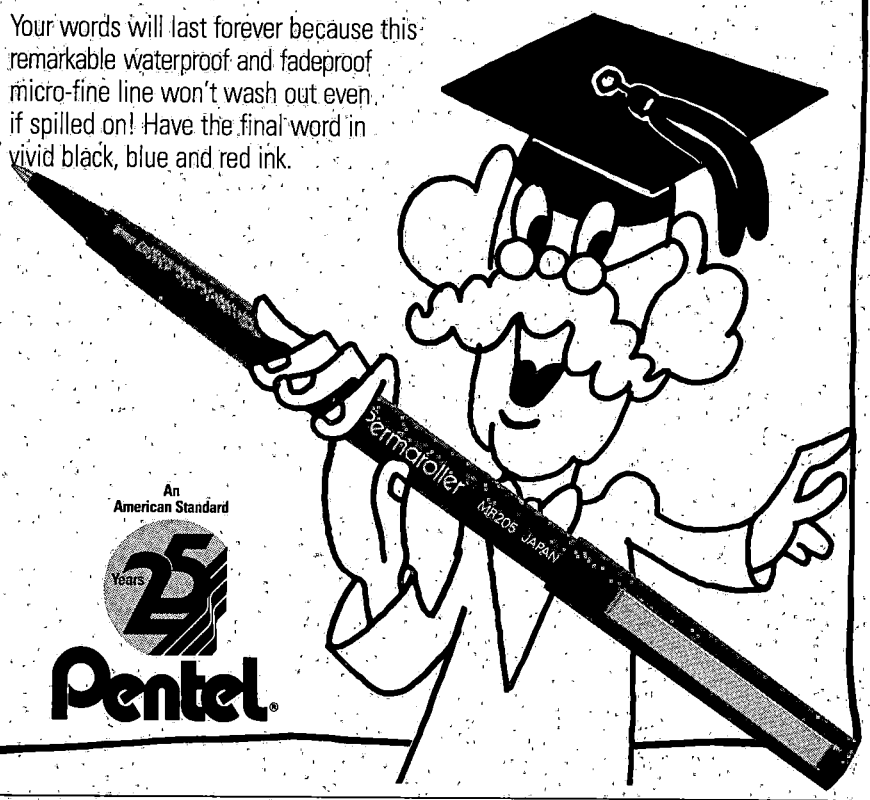

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mowed. The surrounding dairy farms seem prosperous, though fewer farmers run bigger spreads and here and there old farmhouses sag blind and empty. A girls' softball team looks sharp in maroon uniforms as the players warm up for a game.

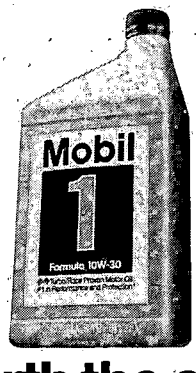
At the Tapawingo, an elegant and easeful lakeside villa, I toast F.H. with an '87 Calera Mills Pinot Noir. Hard to say whether he would have approved. The family was churchly, but the women did most of the praying. Would the jalapeño smoked shrimp, seared and placed on a bed of black-bean-and-garlic sauce, have seemed the work of the devil? The cucumber-dill soup, with little blue borage blossoms floating on it? The lamb with braised lentils, garnished with nasturtium? Owner-chef Harlan Peterson, an escaped car designer who once styled Thunderbirds for Ford, says he is trying to phase out the flower garnishes. His customers won't let him. They are rich resorters, from such glossy Lake Michigan yacht moorings as Charlevoix, and occasional nervous Ellsworth elders being taken to dinner by their children from Chicago or Detroit. They pack the place, wearing the glazed looks appropriate to munchers of black-cherry-with-mint granita salads and paillards of Norwegian salmon.

Trust me, F.H., it is the best meal I have eaten since the time I looked sad during an interview with Craig Claiborne, and he and Pierre Franey fed me lunch. Yes, says my grandfather, but have you tried the Rowe? It turns out that there are two astonishingly good restaurants in Ellsworth. Wes Westhoven's Rowe, in fact, is where the Tapawingo's Peterson learned the restaurant business, and Peterson amiably admits that Wes' wine cellar is the best in northern Michigan. I am in no position to argue. The next evening Westhoven produces an impudent 1987 Cabreo Chardonnay from, of all places, Italy's Piedmont region. The food is exceptional—strongly accented country French, read off a chalkboard: bean-and-red-pepper chowder, down-home pâté, a superior house salad with bacon, and trout stuffed with shrimp. I have heard that people from Ohio fly here in private planes, eat and fly back. A scheduled airline would not be excessive.

On my last morning in town I make the visit I have been putting off, to F.H.'s house, where a cousin still lives. The place seems smaller, and it is; the big barn is gone, and the small barn and the manure pile and the woodshed and the galvanized tank that caught rainwater and, for crying out loud, the privy. In their place are neatly kept new houses. A paved street crosses what was the hillside pasture, and the little creek I tried industriously to dam up every summer—tried, I think, simply because it seemed impossible—is gone altogether. ■

Acura Integra GS	$16,685
Acura Legend Coupe LS	30,690
Alfa Romeo Veloce	20,950
Audi 80 Quattro	22,800
Audi 100	26,900
Audi Quattro V-8	47,450
Bentley Mulsanne S	133,200
BMW 325is	28,950
BMW 535i	43,600
BMW 750iL	70,000
Buick Skylark Custom LE	13,145
Buick Regal Limited	15,860
Buick LeSabre Estate Wagon	17,940
Buick Electra Park Avenue	21,750
Buick Reatta	28,335
Cadillac DeVille	27,540
Cadillac Allante	50,900
Chevrolet Beretta GT	12,500
Chevrolet Camaro IROC-Z	15,360
Chevrolet Lumina	14,240
Chevrolet Caprice Brougham	16,325
Chevrolet Corvette ZR-1	58,995
Chevrolet Geo Metro	8,465
Chrysler LeBaron	15,995
Chrysler Fifth Avenue	20,860
Dodge Daytona ES Turbo	13,700
Dodge Colt Vista	13,906
Eagle Premier ES	17,845
Eagle Talon TSi Turbo	15,613
Ferrari Testarossa	150,600
Ford Escort GT	$10,588
Ford Tempo LX	11,422
Ford Mustang GT	14,803
Ford Taurus LX	16,180
Ford Probe GT	15,543
Ford Thunderbird Super Coupe	20,390
Ford LTD Country Squire	17,921
Honda Accord EX	16,595
Honda Civic	10,920
Jaguar XJ-6 Vanden Plas	48,000
Lamborghini Countach	145,000
Lexus LS 400	35,000
Lincoln Town Car	27,986
Lincoln Mark VII LSC	29,468
Lotus Esprit	71,500
Mercedes-Benz 190E	31,600
Mercedes-Benz 300CE	55,700
Mercedes-Benz 500SL	83,500
Mercury Topaz LS	12,360
Mercury Sable LS	16,067
Mercury Cougar XR-7	20,213
Mitsubishi Galant GSX	17,171
Mitsubishi Eclipse GSX	17,260
Nissan Stanza GXE	14,775
Nissan Axxess SE	16,749
Nissan Maxima SE	18,749
Nissan 300ZX Turbo	33,000
Oldsmobile Cutlass Calais SL	14,015
Oldsmobile Cutlass Supreme Intl.	17,995
Oldsmobile 88 Royale	15,995
Oldsmobile 98 Regency Brougham	$21,595
Peugeot 405 Mi16	21,990
Plymouth Laser RS	12,675
Pontiac Sunbird GT	12,444
Pontiac Grand Am SE	15,194
Pontiac Firebird Trans Am GTA	23,320
Pontiac 6000 S/E	16,909
Pontiac Bonneville SSE	23,994
Pontiac Grand Prix SE	17,684
Porsche 944	41,900
Porsche 911 Targa	59,900
Porsche 928	74,545
Rolls-Royce Corniche II	215,800
Saab 900	17,515
Saab 9000 CD	32,995
Sterling 827SL	29,975
Subaru Legacy LS	14,699
Subaru XT-6	17,111
Suzuki Swift GS	9,264
Toyota Camry LE	14,658
Toyota Cressida	21,498
Toyota Corolla LE	11,703
Toyota Celica GT-S	17,258
Toyota Supra Turbo	25,200
Volkswagen GTI	10,800
Volkswagen Jetta GLI	14,555
Volkswagen Corrado	17,990
Volkswagen Passat GL	14,770
Volvo 240-DL	18,450
Volvo 780	38,735

Source: Automotive News 12/18/89,"Pricing the '90 Models."



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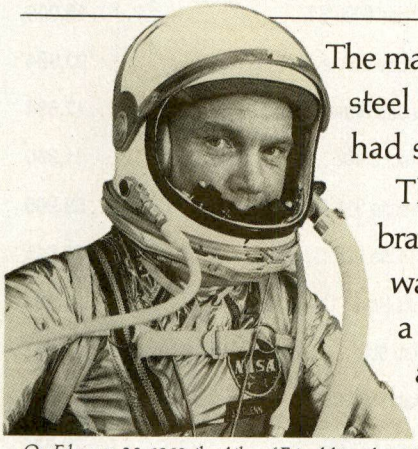
THEY SAY IT'S GOING TO FLY. OF COURSE, THEY AREN'T GOING.



On February 20, 1962, the Atlas of Friendship 7 boosted the first American, John Glenn, into Earth orbit. His historic flight was the 117th for an Atlas.

The machine had stainless steel skin. The men had steel nerves.

The men were the brave Americans who waited, strapped into a cramped capsule atop 125 tons of explosive fuel, to be blasted into orbit.

The machine was originally America's first intercontinental ballistic missile, developed by General Dynamics in the early 1950s, and for nearly 10 years the free world's major deterrent weapon.

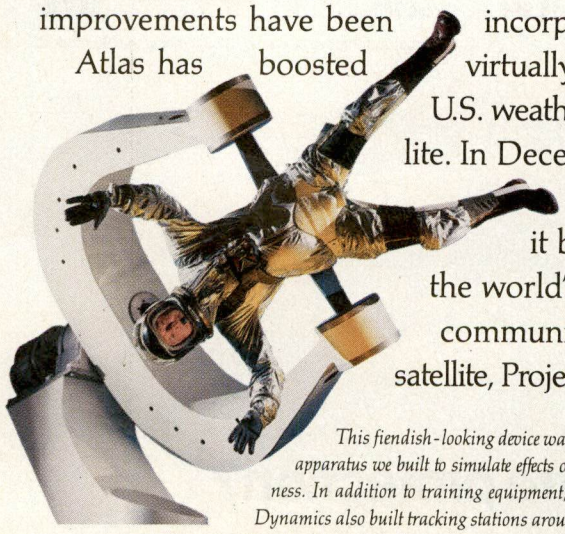
The men were the Mercury astronauts.

The machine was our Atlas rocket.

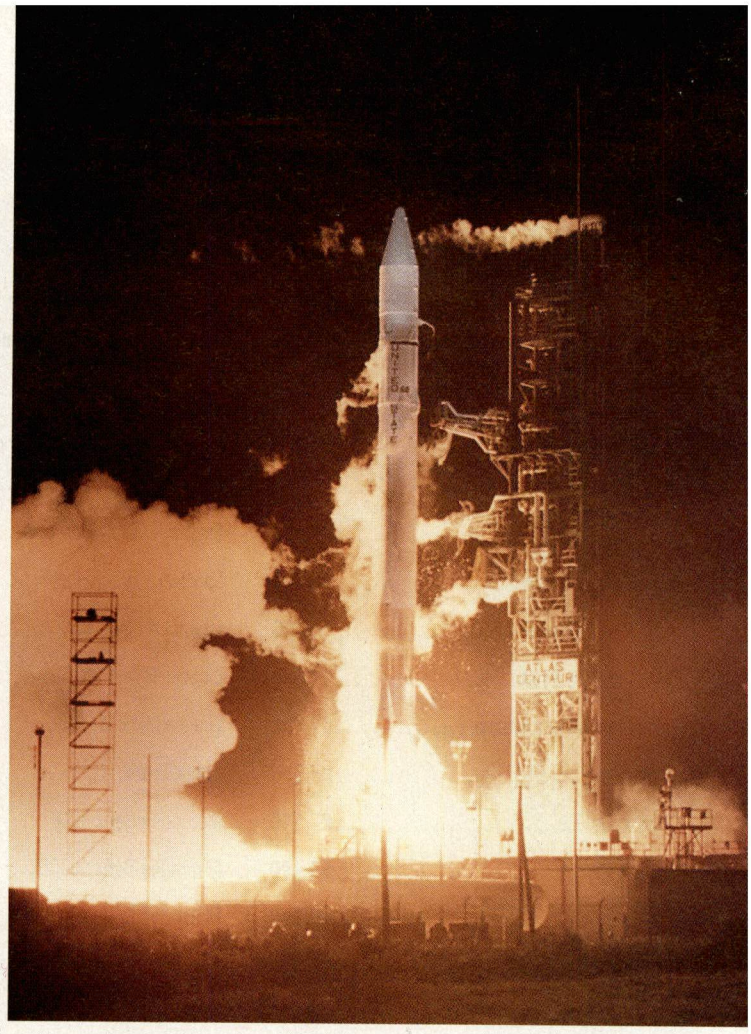
Their histories merged in the early 1960s, when General Dynamics began reconfiguring Atlas to launch payloads into space for the Air Force and NASA.

Since then, the stainless steel sheen of the Atlas skin is the only thing that has remained unchanged, as literally thousands of technological improvements have been incorporated.

Atlas has boosted virtually every U.S. weather satellite. In December 1958, it boosted the world's first communications satellite, Project Score,



This fiendish-looking device was part of the apparatus we built to simulate effects of weightlessness. In addition to training equipment, General Dynamics also built tracking stations around the globe.



which circled the globe broadcasting President Eisenhower's Christmas message. Atlas went on to launch 36 more communications satellites, and dozens of scientific probes, including Pioneer, Mariner, and Surveyor, the first American spacecraft to soft-land on the moon.

With a record of 496 launches, our Atlas is one of America's most successful and reliable launch systems.

Our 30-plus years of experience and the dedication to excellence of the Atlas team are especially important now.

In one of the largest commercial space ventures in history, General Dynamics has committed to the production of 62 new Atlas vehicles for government and business missions.

For over three decades, Atlas has made history in space.

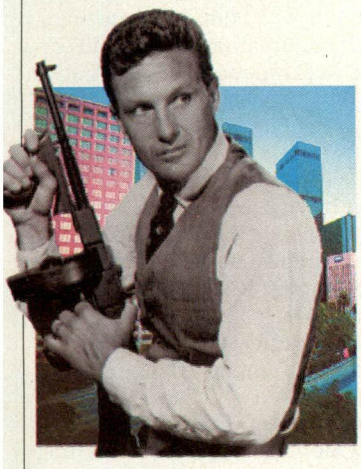
And paid dividends here on Earth.

GENERAL DYNAMICS

A Strong Company For A Strong Country

GRAPEVINE

By PAUL GRAY/Reported by David Ellis



O.K., Louie, Drop the Gun

The FBI is thinking about restoring the famed tommy gun of the 1930s to active inventory. Memorialized in gangster movies and in TV's *The Untouchables,* the Thompson submachine gun, it turns out, can still outmatch some of its modern successors: one of its .45-cal. slugs, spewed out at a rate of up to 800 rounds a minute, will knock down even the biggest bad guy. By contrast, the Israeli-made Uzi, the current weapon of choice among many criminals and some lawmen, uses smaller bullets; one hit is often not enough.

Welfare for Billionaires?

A report from the Resolution Trust Corporation is expected this month, and it figures to stoke congressional ardor to find scapegoats for the S&L mess. The report will examine transactions during 1988, when private investors, at the government's request, scooped up troubled S&Ls and then received whopping federal subsidies for doing so. In 94 cases, entrepreneurs like Ronald Perelman, owner of Revlon, and Texas billionaire Robert Bass wound up reaping, on average, $78 for each dollar they invested. Some who received this windfall have argued that their intervention was cheaper than allowing the bankrupt S&Ls to pile up losses. The House and Senate have scheduled hearings to question whether such generosity to the wealthy was really necessary.

Diamonds Are a Don's Best Friend

Colombian cocaine cartel leaders are apparently investing in precious gems. "Cash is a pain," says a DEA official. "It's bulky if you move it, traceable if you bank it, and it mildews if you bury it." Which may explain why Colombians have been reported buying up jewels—principally diamonds—in Antwerp, Amsterdam and Hong Kong. U.S. agents don't think these buyers are Christmas shopping. "You can transport millions of dollars' worth of diamonds in your back pocket," says an investigator. Furthermore, diamonds don't rot when stored in the underground caches favored by Colombian dons.

Porn to Raise Hell

Running hard for re-election in North Carolina, Senator Jesse Helms is enlisting the so-called dirty pictures he has so publicly opposed. At a barbecue in Burlington, Helms' speech included an invitation—men only, please—to examine three portfolios guarded by his assistants. "You won't look long because you just ate," Helms warned the curious, who stepped forward to peer at reproductions of the Robert Mapplethorpe nudes from the show partially funded by the National Endowment for the Arts. "Tell me whether you resent taxpayers' money going to this!" boomed the Senator.

It's an Ill Wind

Saddam Hussein has been called a lot of things during the past month, but at the Chicago Mercantile Exchange he's known as "Mr. Bonus." Yearly bonuses at the Merc are keyed to the number of broker transactions, and the 1990 figures were looking grim—until the invasion of Kuwait stirred up huge action in Eurodollars and stock-index futures. ■

Quixote Watch

An Update on the Year's Most Unlikely Candidates

ALCEE HASTINGS The U.S. Senate ousted the former federal judge last year following bribery allegations. He's now running for the Democratic nomination for Florida secretary of state, advocating casino gambling. His opponents: a newspaper columnist and a former Grand Dragon of the K.K.K.

EVAN MECHAM The former Arizona Governor embarrassed many constituents by rescinding a state holiday for Martin Luther King. Then, in 1988, he was impeached by the legislature for misuse of funds. He's dusted himself off and is a long shot for the Republican nomination for his old job.

JOHN SILBER The pugnacious president of Boston University was considered a political asterisk last January when he began his candidacy to succeed Governor Michael Dukakis. Despite a string of outrageous statements and an undisguised high opinion of himself, Silber stands a good chance to get the Democratic nod.

DAVID DUKE The ex-Klansman won a seat in the Louisiana legislature as a Republican and is running for the U.S. Senate; in spite of recent revelations that he once used a pseudonym to co-author a book that included explicit sexual techniques, he hopes to force a runoff with Democrat J. Bennett Johnston.

RON DANIELS An assistant campaign manager for Jesse Jackson in 1988, he announced last week that he is "seriously exploring" his own independent run for President in 1992. Daniels advocates D.C. statehood, a slowdown in prison construction to boost social spending, and reparations to descendants of slaves.

COMEBACK OF THE WEEK

BERT PARKS

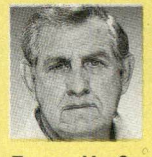
Not only does he have a socko cameo role in *The Freshman*—he sings, among other odd offerings, *Tequila* and Bob Dylan's *Maggie's Farm*—but he will be in Atlantic City this Saturday (after 10 years in exile) to croon former Miss Americas down the runway. There he goes again.

COMEDOWN OF THE WEEK

WAYNE NEWTON

A $5.2 million libel award to the resident king of the Las Vegas strip was overturned by a federal appeals court. A lower-court jury had decided that an October 1980 NBC broadcast falsely linked the singer's purchase of a casino to underworld assistance.

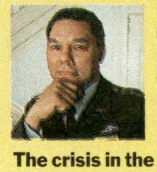
HERO OF THE WEEK



JACK GARGAN

Enraged by Congress's incompetence, the retired financial analyst has dropped $45,000 of his savings into advertising "Throw the Hypocritical Rascals Out," a campaign to defeat every single incumbent. So far, his ads have attracted some 20,000 contributors and $200,000.

CARDBOARD HERO OF THE WEEK

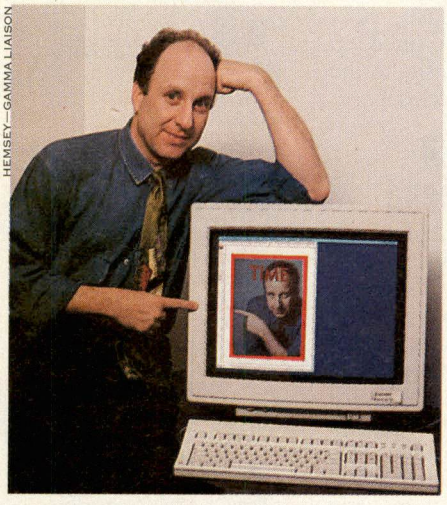


COLIN POWELL

The crisis in the gulf propelled the Chairman of the Joint Chiefs of Staff to a rare sort of fame: a life-size cardboard figure beside which Washington tourists can stand and be photographed with an arm around Powell. He joins Presidents, First Ladies and Ollie North.

PHOTOFEST; KERRY HAYES; AP; NO CREDIT; E. ADAMS—SYGMA; NO CREDIT; JONATHAN BURNETTE—SABA; STEVE LISS; PETER MORTIMER—GAMMA LIAISON; STOVER—AP

FROM THE PUBLISHER



HEMSEY—GAMMA LIAISON

Hochstein points up a computer image of himself as cover subject

A master of striking designs and a lover of wordplay

Few tasks on a magazine are as important—or difficult—as choosing the image and words that appear on the cover. In a few seconds, they must interest the reader in the issue. The challenge is greatest when we deal with topics that are conceptual or, as is the case this week, when we return to a story that has already been the subject of several covers. This is our fifth in a row on the crisis in the gulf, a record unmatched since the Korean War.

The responsibility for covers often falls on deputy art director Arthur Hochstein, who has had to come up with designs week after week that are striking and original and that underline different aspects of a similar theme. "A magazine cover is like a poster," Arthur says. "At its best, it conveys a powerful message clearly and quickly through a combination of pictures and words." Hochstein, 37, is comfortable with both. After attending the University of Missouri School of Journalism, he began his career as an editor and designer at a weekly newspaper in his native St. Louis. He eventually focused on design because, as he puts it, "What I enjoyed most was putting the pieces together." He was graphics editor for the now defunct St. Louis *Globe-Democrat* before coming to TIME in 1985. Among the cover-subject designs he is proudest of are the sun ("Great Ball of Fire") in July 1989 and White House chief of staff John Sununu ("Bush's Bad Cop") in May 1990. If you haven't already figured it out, Arthur has an inveterate love of wordplay. As he might say: Read my quips.

Hochstein is a whiz on our Apple Macintosh computer design system. After he and designer Leah Purcell have received a cover image, they can lay it out and display it in minutes, vs. hours only a few years ago. Then, thanks to the technology, they can try numerous variations on the image and the text. They have even created entire covers on the Mac. One recent example: "Starting Over," for a story on the end of the Communist Party's monopoly on power in the Soviet Union. It juxtaposed a photograph of Mikhail Gorbachev with an archival picture of Lenin.

"When it comes out, the cover of the magazine usually looks straightforward and simple," Hochstein says. "But it actually is the end product of a tremendous amount of work. This is a perfect blend of what I was trained to do and what I'm interested in. So this is the perfect job for me." We agree.

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TIME/SEPTEMBER 10, 1990

COVER STORIES

Pausing at the Rim of the Abyss

Suddenly it's time to talk. But while both sides seem to be looking for an exit, neither is ready to give way on its basic demands.

By LISA BEYER

Having marched headlong to the precipice of war, both sides in the Persian Gulf conflict peered into the abyss last week and took a deep breath. From all the signs, each party wanted to inch back from the brink.

There was suddenly an enormous amount of talking—peace talk, settlement talk, negotiation talk—but most of it was just that, talk. Saddam Hussein, looking a little sweatier, issued a flurry of offers to negotiate, but his antics seemed intended mainly to avert a military showdown. A clutch of mediators led by U.N. Secretary-General Javier Pérez de Cuéllar set off on peacemaking missions, yet none carried much promise of success. In Washington, President Bush toned down his rhetoric and turned his attention to diplomacy, but said bluntly that he had no immediate hope for "fruitful negotiations." Despite a gut sense that both sides might be looking for a peaceful exit from the crisis, neither seemed prepared to give way on its basic—and irreconcilable—demands. "It's a cat-and-mouse game," said British Foreign Secretary Douglas Hurd in a remark about Saddam's treatment of the hostages. "Now a little mercy, now some more ruthlessness."

For the moment, an uneasy equilibrium was reached. By most accounts, the U.S. had pumped sufficient firepower into Saudi Arabia to deter an Iraqi attack but not enough to retake Kuwait by force. The interim was giving both sides time to work out just what they were willing to fight or settle for. For the U.S., the choice was between defusing the immediate crisis—either by waiting for the sanctions to work or by accepting some kind of a settlement—or getting rid of the menace in Baghdad once and for all. For Saddam, the question was whether to retreat now with some face-saving concession and live to fight another day, or to stand his ground in Kuwait at the risk of military confrontation.

DIPLOMATIC MANEUVERS

The week's action across the globe

"You have to talk"
—President Bush, on diplomatic efforts

BUSH
The President urged allies to help bear the cost of the military operations and economic sanctions in the gulf. While welcoming the recent diplomatic activity, he was not optimistic about its outcome.

"I am not a merchant to negotiate"
—Pérez de Cuéllar, on his way to meet Aziz

U.N.
Secretary-General Pérez de Cuéllar flew to Jordan for talks with Iraq's Foreign Minister Aziz. The U.N. chief called the discussions a "step forward" but cautioned that a solution was not at hand.

EUROPE
Britain's Thatcher criticized some of her neighbors for not pulling their weight. Austria's Waldheim visited Saddam and won freedom for Austrian nationals held hostage.

"OPEC stands for market stability"
—Official statement

OPEC
The cartel suspended production quotas to allow members to make up for the loss of Iraqi and Kuwaiti crude. Oil prices sank swiftly on futures markets in response.

TIME Map by Nigel Holmes

While pondering their options, both were probing to see if there was any give on the other side. Saddam Hussein continued to play on public opinion, trying to break open the alliance arrayed against him. He used television regularly to say he welcomed peace talks without preconditions, while his government quietly proposed slightly more reasonable settlement offers. He promised to release the women and children among Iraq's foreign hostages—at week's end hundreds of them were ferried out of the country—and said he would let the men go too, if only the U.S. would swear not to attack Iraq. To avoid a shootout on the seas, Saddam instructed his ships to submit to searches by Western vessels enforcing the U.N. economic sanctions.

But it seemed more public relations than reality, a way of buying time while he tested the staying power and cohesion of his enemies. In the process, Saddam aimed to consolidate his own position. "He hopes that after a while everyone will get used to Kuwait's being under Iraqi control," said an Iraq expert who advises the U.S. military on Saddam. Yet with the kind of schizophrenia that seems to characterize many of his moves, Saddam's cruel dallying over the hostages not only dissipated any goodwill his promise was intended to earn but made his opponents even angrier.

For its part, the Bush Administration realized it could not cede all the peace talk to Saddam. The U.S. had to be seen to be looking for negotiated solutions even while standing ready to employ force. To achieve an Iraqi withdrawal, President Bush allowed last week, "you have to talk." Concerned by Soviet complaints that the U.S. has given diplomacy short shrift, the White House announced on Saturday that Bush will head to Helsinki this Sunday to discuss the gulf situation, among other things, with President Mikhail Gorbachev.

All over the region, volunteer statesmen shuttled across borders talking up peace. Jordan's King Hussein flew to Libya, Algeria, Morocco, Mauritania and then on to Europe to little avail. Palestine Liberation Organization Chairman Yasser Arafat pushed his unrealistic plan for a settlement in talks with French Prime Minister Michel Rocard. Even Jesse Jackson traveled to Baghdad, ostensibly as a TV journalist, though he did help make arrangements for the departure of several hostages.

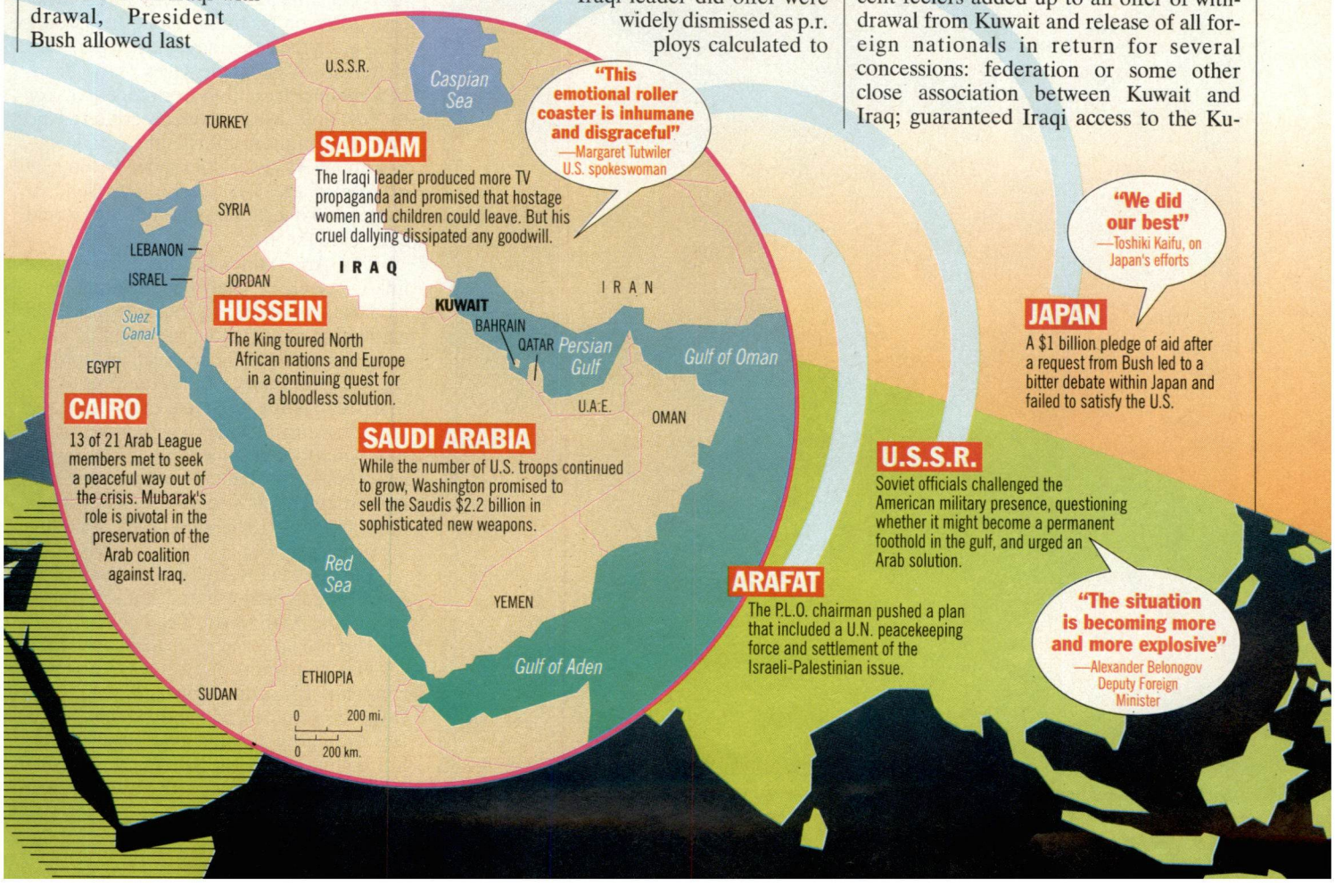
With all that goodwill in the air and with the news that OPEC had freed its members to make up for lost Iraqi and Kuwaiti oil, world financial markets recovered slightly from the previous week's nose dive. The respite helped generally to ease tensions and shore up international solidarity. "You can feel it around here," said an army colonel at the Pentagon. "The pace continues, but the anxiety has abated."

The glimmers of peace were probably just a mirage. Neither the U.S. nor Iraq was reversing course. America and its allies continued to insist on nothing less than Iraq's unconditional withdrawal from Kuwait, but no one expected Saddam to agree to that now. What concessions the Iraqi leader did offer were widely dismissed as p.r. ploys calculated to fracture the broad alliance of nations ranged against him. "I hope we will come out of the war mind-set," said French President François Mitterrand, "but I have not seen obvious signs over the past few days of an improvement in the situation."

Even as Pérez de Cuéllar huddled in Jordan with Iraqi Foreign Minister Tariq Aziz, the consensus among Western powers was that there simply was nothing to negotiate. The U.N. chief emphasized that he did not plan to bargain with Baghdad but would try to persuade the renegade state to abide by the Security Council's demand for a pullout from Kuwait, the restoration of the deposed Emir and the release of all hostages. When his sessions with Aziz ended, Pérez de Cuéllar announced "disappointment" at the result.

Yet some were beginning to wonder if the Iraqis were growing more pliable. The U.S. military buildup was unrelenting. The economic sanctions were beginning to pinch: breadlines were long in Baghdad last week, prompting Saddam to ration food and send envoys around the globe in search of new supplies. Said Pérez de Cuéllar: "I have seen some indications that Iraq would like to find a way out."

The clearest signals came in the form of half a dozen trial balloons floated by Iraq to Washington through back-door intermediaries. Saddam has publicly denied supporting any of these initiatives, though Bush Administration officials have confirmed that at least some of them came from Iraq's Foreign Ministry. The most recent feelers added up to an offer of withdrawal from Kuwait and release of all foreign nationals in return for several concessions: federation or some other close association between Kuwait and Iraq; guaranteed Iraqi access to the Ku-



waiti islands of Bubiyan and Warbah, which block most of Iraq's scant 18 miles of Persian Gulf shoreline; and settlement of Iraq's claims regarding pumping rights in the Rumaila oil field, which lies mostly in Iraq but dips slightly into Kuwait.

The U.S. would grant none of these as preconditions to a pullout. The last two items, officials admitted, could be negotiated between Iraq and Kuwait after a withdrawal is complete. "Then the two countries can reach any agreement they want," said an Administration source. But any formal Iraq-Kuwait link is out of the question for Bush's camp. "That demand tells us that Saddam Hussein still doesn't get it," said a senior White House official. "We haven't yet convinced him that he can't hang on to Kuwait, not even indirectly." It was notable, however, that Baghdad's offers were growing progressively less objectionable.

BARRY IVERSON

On the front line: Saudi troops position an antiaircraft gun near the Kuwait border

The positive aspects of Iraq's latest peace plans, however, were undercut by other bellicose actions. Saddam formally designated the oil-rich land of Kuwait the 19th province of Iraq. Although Baghdad promised that the estimated 11,000 women and children among its 21,000 Western hostages would be free to leave last Wednesday, most of those who chose to depart were delayed by red tape. On Friday 19 Italians managed to depart, and the next day several hundred other foreigners were flown out.

On the military front, there was no retreat. According to the Pentagon, Iraq last week reinforced its troops in and around Kuwait to 265,000. These moves were probably defensive; virtually no American official believes Iraq will push farther south now that the Saudis are backed by 50,000 American troops and the muscular arms of the U.S. Air Force and Navy. Still, Baghdad asserted that if war broke out, it would attack not only Saudi Arabia but Israel too. That would provoke a roaring conflagration in the region, with the Israelis and their American allies retaliating in force but with the other Arab states lining up behind Baghdad.

By sending out such contradictory messages, Saddam must reckon that some of his opponents might be more willing to accept peace on his terms than others would be. And as the crisis moves into a period of stalemate, Washington faces real difficulties holding the united front together. For the first time, Moscow openly criticized the American military effort in the gulf. Deputy Foreign Minister Alexander Belonogov disavowed the U.S. decision to send in troops and questioned whether they would ever leave the area.

The Arab states are an even weaker link in the chain. They keep talking about an "Arab solution" to the crisis, the talk emanating mainly from the factions most sympathetic to Saddam, such as Jordan, the P.L.O. and some of the countries of the Maghreb. While no actual plan exists, the idea generally includes a withdrawal of all non-Arab forces, some kind of face-saving concessions for Saddam and an overarching settlement of the two other flash points in the region—Lebanon and the Palestinian problem.

But last week's Arab League summit in Cairo merely underscored the sharp division in the Arab world. The only members who turned up, except for Libya, were the 12 who had voted three weeks earlier to condemn Iraq's invasion and send Arab troops to help defend Saudi Arabia. So far the Arab governments allied against Iraq are holding firm, but Saddam is shrewdly working to undercut their positions with

his talk of negotiation and by exploiting grass-roots resentment toward the American presence.

In a counterparry, Washington worked to bind the anti-Iraq coalition more tightly. To spread the responsibility for subduing Baghdad more evenly and ensure that the Arab allies are not squeezed dry by the trade embargo, the Bush Administration proposed last week that its richer friends contribute to an expense fund. With the shape of the entire post–cold war world at stake, said Bush, countries like Japan, West Germany, Saudi Arabia, the United Arab Emirates and South Korea should help with $1 billion a month to defray much of the $1.4 billion monthly costs of the U.S. deployment. They should pony up $10 billion more to reimburse Jordan, Egypt and Turkey for losses caused by the ban on Iraqi trade. The fund was also designed to ensure the continued support of the U.S. Congress, likely to grow restive at footing the bill alone while facing a mushrooming federal deficit. Though overwhelmingly supportive of the President's actions, lawmakers who met with him last week made burden sharing a top priority.

Washington also began a broad effort to build up Saudi Arabia's arsenal so that it can defend itself better. The Administration agreed to sell Riyadh $2.2 billion in sophisticated new armaments, including 12 F-15s, 150 M-60A3 tanks and 200 Stinger surface-to-air missiles. The Israelis, fearful that the Saudis might one day turn that might against them, were alarmed by the new commitments. Of course, they are asking for more weapons and military aid themselves. The Bush Administration appeared receptive. Washington was also considering forgiving all or part of Egypt's $7.1 billion military debt to the U.S.

Worries about the staying power of the international coalition in part accounted for the resolution last week of a raging debate within the Bush Administration over how far to go in putting Saddam down. One school, led by Defense Secretary Dick Cheney, argued that even if Kuwait were liberated, Saddam should not be allowed to remain in power in Iraq with his million-man army, his chemical weapons and a nuclear potential intact. Unless disarmed completely, he could intimidate his neighbors at will, and he would be able to launch an even more aggressive challenge to the global order next time.

The Israelis staunchly backed Cheney's view that it is wiser to dispose of Saddam now than face graver peril doing so later. But the opposing camp, led by National Security Adviser Brent Scowcroft, won out with its admonition against expanding U.S. war aims beyond restoration of the status quo ante. Scowcroft feared that the U.S. might not be able to sustain domestic and international support long enough to remove Saddam from power, which would probably require military action. "Nobody in the world was willing to go to war for that objective before the invasion of Kuwait," said one senior official, "and it is not clear why we should remain at war for those objectives after we reverse the effects of the invasion."

To prevent Saddam from turning right around and molesting his neighbors again, the Bush Administration will suggest that any Iraqi withdrawal from Kuwait be followed by the establishment of a multinational force, preferably made up mainly of Arab troops, to act as a trip wire. There is also much talk of maintaining a permanent U.S. presence in Saudi Arabia to keep Iraq honest, but most analysts outside the Administration doubt the Arabs would tolerate that for long. Said Bush: "I think the world would demand that there be no chance of another invasion the minute this ended." The problem is how to get Saddam to agree.

The so-called pragmatists around Bush convinced him that a U.S. drive to oust Saddam and weaken his military might bring a host of nasty repercussions, including seething Arab resentment against the U.S. "imperialists" and their ruling Arab cohorts, a radical Shi'ite takeover of Iraq and the weakening of Iraq as a military counter to Iran and Syria. The pragmatists added a kicker—probably wishful: just forcing Saddam out of Kuwait would humiliate him so badly that it might lead to his overthrow. Said Bush last week: "It wouldn't disappoint me if the Iraqis got up and said, 'Look, this man is our problem.' " But he stopped short of setting that down as an American objective.

This scenario must be very much on Saddam's mind too, a fact that argues against his giving up his new 19th province without a fight. For the moment Saddam appears to be calculating that the danger he faces from his population as food supplies run low is not yet as great as the perils he would face from his generals should he pull out of Kuwait with nothing to show for it.

While all the talk last week felt good, none of it looked very promising. The U.S. and its allies still need to reach a broad consensus on just what their goals are and which ones they are willing to fight for. Few Americans believe oil is worth a war. The Bush Administration has apparently decided that evicting Saddam from Kuwait is sufficient, and that certainly leaves open the possibility of an outcome short of war. Everyone fears the consequences of demanding more. Yet the West must ask itself if Saddam's withdrawal will be enough to bring real and permanent peace to the gulf. ***—Reported by Dean Fischer/Cairo, Dan Goodgame/Kennebunkport and J.F.O. McAllister/Washington***

MOHAMMED AMIN—FRANK SPOONER PICTURES/GAMMA LIAISON

British citizens trapped in Iraq camp out on the grounds of their embassy in Baghdad

Though Saddam promised that hostage women and children could leave, they were delayed by red tape.

The Tortoise and the Hare

As Moscow sees it, slow and steady diplomacy will pay off, especially if the first mad dash to contain Saddam fails

By JOHN KOHAN MOSCOW

So far, so good. Since the morning Saddam Hussein sent Iraqi troops storming into Kuwait, the Soviet Union has been cooperating with the West in opposing him. Moscow voted yes four times in the United Nations to condemn Iraq and impose stiff sanctions. Soviet diplomats have repeatedly urged Iraq to retreat and to free all hostages, while rebuffing pleas to ease their support for the international opposition. When the U.N. was debating the crucial fifth vote authorizing force to back up the sanctions, Gorbachev publicly told Saddam to withdraw from Kuwait or face further action from the U.N. Only a few hours later, the Soviets joined the U.S. in approving the historic resolution.

Probably no diplomatic change of heart during the gulf crisis has been as startling as Moscow's decision to join the international community against Iraq, the country that has long been the pivot for Soviet foreign policy in the gulf. But there are limits to Moscow's willingness to follow Washington's lead. Just because the Kremlin shares the American view that Iraq must withdraw its forces unconditionally from Kuwait does not mean the two superpowers see eye to eye on how to achieve that goal. While the Soviets do not intend to break ranks with the West, they have made it clear they want to proceed in their own way and at their own pace in dealing with Baghdad. Wary of a war, the Soviets want to give diplomacy and economic and political pressure time to work before any action is taken.

Now that the initial emergency has been met, the Kremlin has been assessing its own interests in the complex situation. In effect, the U.S.S.R. wants to keep a foot in both camps, working with the international opposition—and reaping the political goodwill and potential economic rewards of being a team player—without cutting all ties to Iraq. Moscow could serve as a potential mediator, and the Soviets do not want to sacrifice all their independent influence in the region—or see the U.S. become the only outside player—once the crisis is over. As Vitali Naumkin, deputy director of Moscow's Institute of Oriental Studies, explains, "The Soviet Union has a different role to play. It still has a credit of trust with some regional powers that will not deal with the U.S."

The Kremlin's attempt to preserve its lines of communication with Baghdad has resulted in a diplomatic two-step. Moscow has resisted withdrawing its controversial contingent of military advisers from Iraq—numbered at anywhere from 500 to 1,000—until their contracts expire, but has provided the Pentagon with information on Soviet military hardware there. After the Soviets voted to enforce the sanctions, Foreign Minister Eduard Shevardnadze stressed that "we have no plans to use force or take part in such operations."

Moscow has pragmatic interests in staying slightly apart from the international pack baying at Saddam's heels. Economic ties with Baghdad have been a lucrative source of hard currency for the cash-strapped Soviet Union, and could continue to be in the future. There is also the unresolved question of the nearly 9,000 Soviet citizens still in Iraq, the largest national group trapped there from the West and East bloc countries.

Reservations are mounting in Moscow over the U.S. decision to send a large force into Saudi Arabia. The Soviets are concerned the military buildup could increase the chances of an armed conflict in a region already bristling with weapons. They particularly fear what a besieged Saddam might do if left without any face-saving form of retreat. For this reason, Moscow favors combining U.N. diplomacy with regional peace efforts, particularly Arab-led initiatives. Shevardnadze reminded Arab foreign ministers last week that their "ability to unite largely determines whether or not a war in the Middle East can be averted."

SYGMA

Visiting with troops near Odessa: Gorbachev's government is wary of war

Soviets want to give diplomacy and economic and political pressure time to work.

Already, some Soviet analysts say, the deployment of American soldiers to guard the holy places of Islam has stirred anti-American and anti-Western feelings among Muslims. Moscow frets that the crisis could ultimately widen the gap between North and South, pit the Islamic world against Europe and set the stage for future regional challenges that will prove beyond the control of either superpower.

Hawkish Soviet generals have begun to grumble that the massing of U.S. troops only 600 miles from the Soviet Union's restive southern border could be intended as a permanent foothold threatening to the U.S.S.R. Deputy Foreign Minister Alexander Belonogov told parliamentary deputies that the Soviet Union had been "notified" about the U.S. decision to field an expeditionary force but "did not approve." Said he: "We cannot be overjoyed at the stepping up of American military power in the region—in the short term, because the situation is becoming more and more explosive; in the long term, because there is no guarantee that the U.S. will leave Saudi Arabia after the crisis is over."

Wistful speculation can be heard in Moscow about what the two superpowers might have accomplished together politically had Washington not opted to send in troops. As Gorbachev noted in an interview last week in the liberal Moscow *News,* it was wiser to pursue "collective approaches" than "extreme measures to enhance one's prestige." Like the fable of the tortoise and the hare, the Soviets are obviously betting that their slow and steady brand of diplomacy will ultimately pay off, especially if the first mad dash to contain Saddam should bog down in the sand. ■

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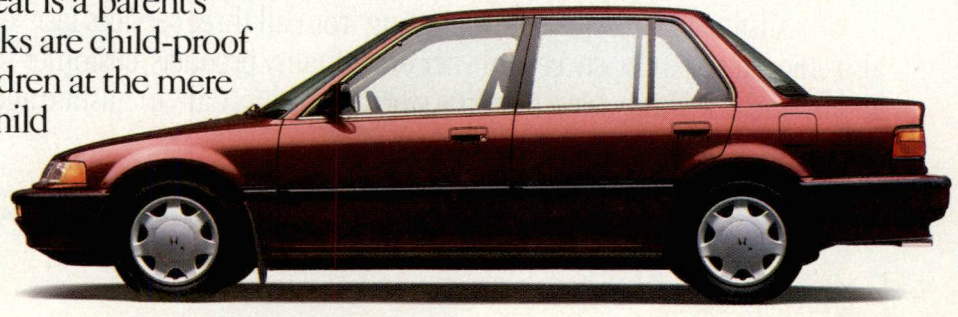
Aren't babies wonderful?

HONDA

The Civic 4Door



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Allstate Life gets AAA, Aaa rating

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Look Who's Antiwar Now

What's that dovish sound? Why, it's the cooing of former hawks on the Republican right wing.

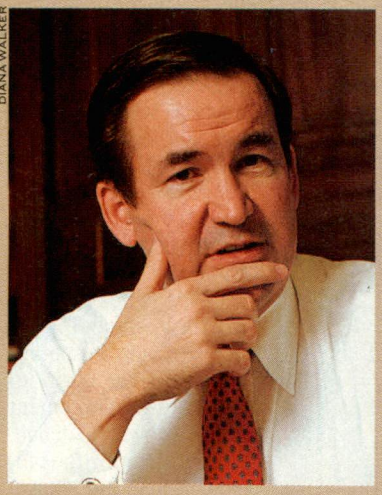
Who made the following statement: "Before we send thousands of American soldiers to their deaths, let's make damn sure America's vital interests are threatened"?

a) George McGovern
b) Jane Fonda
c) Ron Kovic
d) Patrick J. Buchanan

Answer: Patrick J. Buchanan, firebreathing conservative columnist and former White House speechwriter for Richard Nixon.

In times of national emergency, Americans tend to rally round the flag and get behind the President. So it is with the crisis in the Persian Gulf. Public-opinion polls demonstrate solid support for George Bush's handling of the showdown with Saddam Hussein, and there have been only a few peeps of criticism from members of Congress. Thus it comes as a surprise that the loudest dissent against the President's policy is being voiced by, of all people, prominent figures on the Republican right wing.

PATRICK J. BUCHANAN


DIANA WALKER

"There are lots of things worth fighting for, but an extra 10¢ for a gallon of gas isn't one of them."

In language reminiscent of Vietnam-era protests, a host of conservative skeptics have been warning against American involvement in the Persian Gulf. To President Bush's assertion that nothing less than America's "way of life" is on the line, the critics reply that no vital U.S. interest is at stake. Buchanan has been leading the charge, arguing, "There are lots of things worth fighting for, but an extra 10¢ for a gallon of gas isn't one of them." Ted Galen Carpenter, director of foreign policy studies at the libertarian Cato Institute, cautions that "making the U.S. the guardian of global stability is a blueprint for the indefinite prolongation of expensive and risky U.S. military commitments around the world." Edward N. Luttwak of the Washington-based Center for Strategic and International Studies even accuses the President of "fleeing from the intractable economic problems at home to a more attractive geopolitical role."

JEANE KIRKPATRICK

WALKER

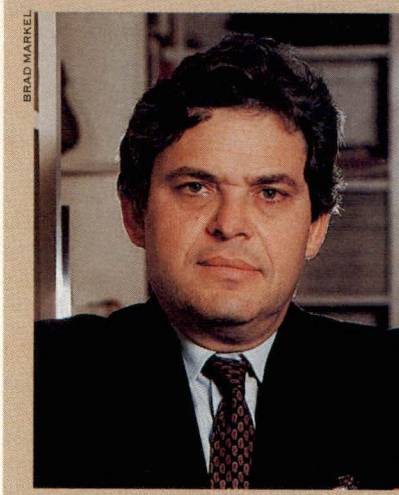
"All our strategic thinking has been based on cold war presumptions."

What accounts for this sudden sprouting of caution on the right? Partly it is a return to isolationist tendencies that go back to the earliest days of the Republic. In 1796 George Washington warned against the dangers of entangling alliances: "The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little *political* connection as possible." Over the centuries, the desire to retreat from a global role has ebbed and flowed, and in the 1930s Congress even passed neutrality laws in the hope of preventing the U.S. from being dragged into World War II.

But today's dissenters differ in important ways from isolationists of earlier eras. Though they may sound like leftist antiwar critics, these right-wingers tended to be die-hard supporters of the Vietnam War. But they differ with fellow conservatives, like former Secretary of State Henry Kissinger, who have been urging a quick strike to cripple Saddam Hussein.

To these right-wing doves, the only justification for risking American lives and treasure is a direct threat to a vital U.S. interest. During the cold war, such challenges were easier to identify. But the collapse of communism has left the right without a sufficiently menacing bogeyman to battle against. "These folks were all for our actions overseas as long as there was a communist target," says Richard Murphy, senior fellow on the Council on Foreign Relations and former Assistant Secretary of State for Near Eastern and South Asian affairs. "When it's not a communist target, it's not worth spending our blood and money on other people's problems."

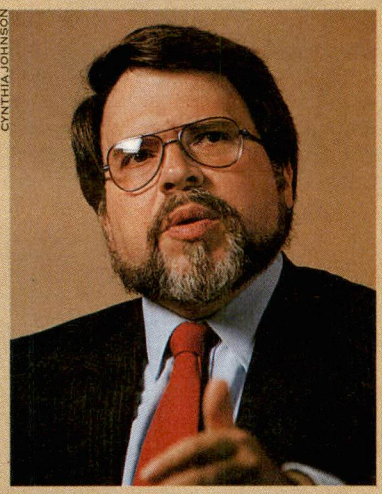
EDWARD N. LUTTWAK


BRAD MARKEL

Bush is "fleeing from the intractable . . . problems at home to a more attractive geopolitical role."

The conservatives are especially critical of the President's insistence that Iraq's power grab poses such a danger to global stability that it must be reversed. In Carpenter's view, only direct threats to America's physical survival, political independence or democratic freedoms justify the use of force. Says he: "The possibility of higher oil prices arising from a stronger Iraqi position in the Middle East does not

TED GALEN CARPENTER



CYNTHIA JOHNSON

"Making the U.S. the guardian of global stability is a blueprint for . . . risky U.S. military commitments around the world."

meet that standard." Though most support the naval blockade and diplomatic pressure on Iraq, Buchanan and his cohort are unanimously opposed to a large-scale ground offensive to force Saddam to surrender his territorial gains.

Like most other Americans, conservatives are trying to puzzle out their country's role in a world they never expected to live in. Asked what U.S. interests are still worth fighting for, former United Nations Ambassador Jeane Kirkpatrick replies, "I don't think we know yet. All our strategic thinking has been based on cold war presumptions." Buchanan has called for a withdrawal of all American forces from Europe, Japan and the South Korean frontline on the ground that the countries concerned are capable of defending themselves. "The U.S. should review the commitments and tripwires it has all around the world," he says.

In any event, right-wingers with reservations about the U.S. foray into the gulf find themselves siding with some old intellectual foes. Liberal historian Arthur Schlesinger Jr. observes with some bemusement that his views about the American involvement in the region are pretty much the same as those Buchanan has espoused. "Well," says Schlesinger, a harsh critic of the Vietnam War, "people learn." As the U.S. gropes for a new definition of its interests in a topsy-turvy world, such startling shifts of opinion may become commonplace. —***By Jerome Cramer.***

Reported by Michael Riley/Washington

The Presidency

Hugh Sidey

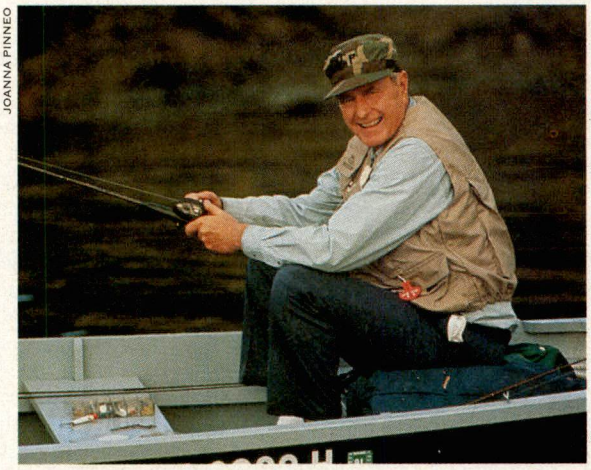
Bush's Balancing Act

Sometimes George Bush is at his dining room table in Kennebunkport, Me., looking beyond the rocky shore to the open water, and sometimes he is on his boat, casting for bluefish, when he wonders aloud about the new world order he must shape once the Iraqi confrontation plays out. He is looking beyond pure military matters.

Bush is mildly disappointed with the response from Europe, Britain and France excepted. He is pleased as punch that Mikhail Gorbachev stepped up to be counted with the U.S. Japan came through pretty well; more is expected. The President knows he must recast relations with Israel, design new approaches for Syria and Iran. And those are just the tasks that he faces over his Eastern ocean horizon. At his back and underfoot is his own nation, supportive and giving for the moment, but restive and argumentative and feeling the strains of a new age dawning.

Bush's political right wing, normally united in militancy, is split between those who, like New York *Times* columnist William Safire, would smash Saddam Hussein now, and those who, like columnist Patrick Buchanan, are dead set against "an American-initiated war." So far, Bush is more amused than troubled by that debate. A greater concern is the rising specter of a recession. There is not much disagreement on that among Bush partisans. Richard Lesher, president of the U.S. Chamber of Commerce, views the White House from his office window and allows that "recession is all around us already." There is a severe credit crunch, the banking system is in stress, real estate and durable goods are deeply depressed. "Much rides on the outcome of the Middle East," he says.

At the very height of the military airlift to Saudi Arabia, Bush cleared his Kennebunkport table and for 2½ hours pondered whether a recession could be prevented, what to do if it occurred with the Iraqi crisis still unresolved. There was no certainty unless it was Bush's undimmed faith in America. "Well," he said with a sigh, "I just think the country is basically strong, the people can handle it."



JOANNA PINNEO

Beyond military matters, Bush has an ocean of problems

This weekend the congressional and White House budget summiteers will try again to work out an agreement to chop down the deficit. They will meet in the officers' club complex at Andrews Air Force Base for three days. It is no longer just a session on a budget formula. It is an antidote to chaos.

Not much in this society slows for our distant dilemmas. Last week the nation's debt hit $3,214,512,688,472.82, a burden so huge that if reduced to the weight of dollar bills, it would tip the scales at more than 3 million tons. Sixty million students went back to their schools, some of which desperately need better teachers and facilities, though the U.S. will spend a record $384 billion for education this year. Almost all the states and cities face what urban expert Neal Peirce calls a "taut situation," many of them with new tax loads but still unable to deal with crime and congestion.

And last week the Census Bureau completed its preliminary count for 1990, which shows that the country is draining people and wealth into the South and West, depleting rural areas and weakening the urban redoubts of the Northeast and Midwest. Bush's bright hopes for gathering more Republican strength in swelling Florida, Texas and California in the election just two months distant are now also tied to the shifting sands of the Middle East. Few modern Presidents have had a more difficult equation to balance. So far, Bush's balancing act has been masterly. ■

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Military Message

With a new emphasis on Third World conflict, the Pentagon will have to trim some desires to fill its needs

By BRUCE W. NELAN

America's amazing August charge into the desert of Saudi Arabia could have been a military disaster. The first troops to arrive were ill-equipped and vastly outnumbered by the Iraqi tank army poised in occupied Kuwait. Soldiers of the 82nd Airborne Division were told to expect to go directly into combat, though they carried nothing more effective against tanks than puny Dragon rockets and risky-to-use TOW missiles.

"If Saddam Hussein had struck during those early days," says Dave McCurdy, a member of the House Armed Services Committee, "our troops would have been slaughtered." Since then, at least 40,000 American soldiers and Marines and almost a million tons of equipment have followed. But senior officers say they still need another month or two of rapid buildup to reach adequate defensive strength. Only last week, 22 days after Operation Desert Shield got under way, did the first M-1 tanks, which would be essential for fighting Iraqi armor, arrive at Saudi ports.

Fortunately the only battle in the gulf so far has been against distance. It is proving to be a tough one. Despite the $2.5 trillion spent on defense over the past decade, the U.S. lacks enough cargo planes and ships to deliver its armed forces to trouble spots around the globe. Transport planes like the C-141 Starlifter and C-5A Galaxy are still the workhorses of the Air Force, but they are aging, and their production lines have long been closed. The next-generation airlifter, the C-17, has encountered repeated delays in nine years of development and is not yet in service. In the meantime, most of the troops and 25% of the supplies flying to Saudi Arabia are traveling on wide-body planes leased from commercial airlines.

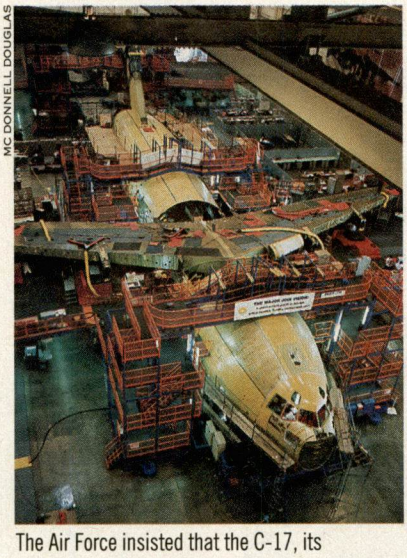
Much of the Army's heavy equipment, including hundreds of tanks and helicopters, will be delivered by sea—the biggest bottleneck. The Navy has only eight SL-7 fast-logistics ships specifically designed for such work, and two have already broken down at sea; one is being towed across the Atlantic. In a pinch like this, the Navy is supposed to be able to reactivate its mothballed fleet of transport vessels. It has ordered up 41 of them, but so far only 25 have got under way. The Navy last week was chartering 15 American and foreign cargo ships to pick up the slack.

Such difficulties have revived a debate over U.S. defense needs in the post–cold war world that had seemed all but settled. No longer faced with the threat of a Soviet onslaught in Europe, it appeared that America could safely spend far less on military might. Only two days before Iraqi armored units rolled into Kuwait, the House had slashed $24 billion from the Pentagon's $307 billion proposed budget, eliminating such high-priced weapons as the B-2 Stealth bomber and mobile MX missile. The Senate was only slightly more restrained, chopping $18 billion. While disagreeing with some items on the congressional hit list, even Defense Secretary Dick Cheney agreed that some reductions were needed. He had just completed a strategic review and was about to propose cutting 10% from the Pentagon budget and 25% from its manpower over the next five years.

Saddam's aggression has given new ammunition to skeptics who contend that, Soviet threat or no Soviet threat, the U.S. needs every high-tech weapon system it

HARDWARE THE U.S. NEEDS

C-17 AIRLIFTER



MC DONNELL DOUGLAS

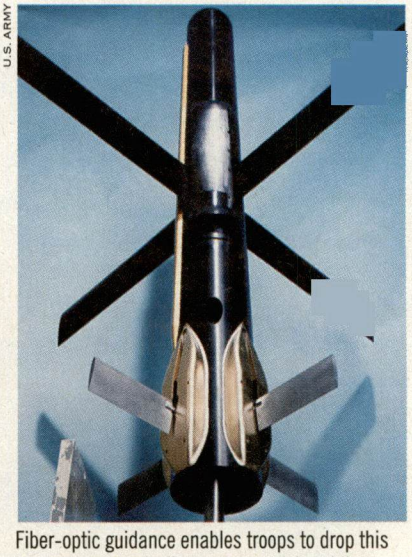
The Air Force insisted that the C-17, its replacement for the sturdy, cargo-hauling C-5A and C-141, be able to use short runways and turn around in an 82-ft. radius. The results have so far been congressional protests over delays, plan changes and a price tag of $240 million a copy. Nine years after the program was announced, not a single C-17 is flying.

SL-7 LOGISTICS SHIP

DENNIS BRACK—BLACK STAR

Each of these 55,000-ton, roll-on, roll-off vessels can deliver the tanks and other combat equipment for an entire armored division over 12,000 miles at 27 knots. The problem is that there are only eight of them. The Navy would not have those if Congress and the White House had not pushed for them. The ships were originally built for a commercial company in the 1970s and bought by the Navy in the early 1980s. Congress appropriated $592 million to buy more ships like them last year, but the Pentagon diverted some of the money and did not spend the rest.

FOG-M MISSILE



U.S. ARMY

Fiber-optic guidance enables troops to drop this jeep-mounted missile on enemy tanks while remaining safely behind cover. It could be the answer to the Army's continuing failure to develop effective small antitank weapons. Army missiles in Saudi Arabia either will not penetrate heavy armor or will require a soldier to remain exposed to enemy fire for as long as 20 seconds.

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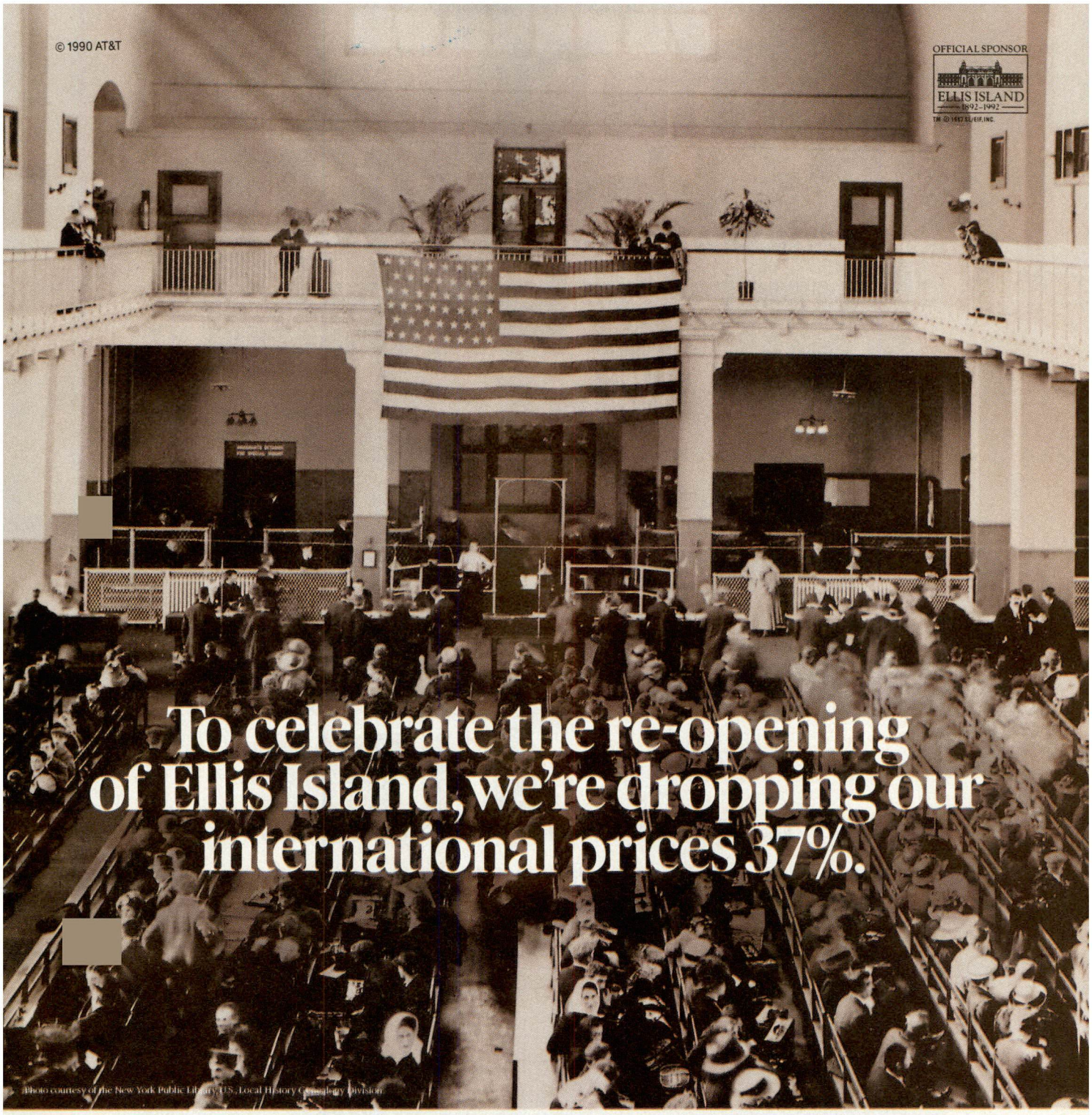

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Photo courtesy of the New York Public Library, U.S., Local History & Genealogy Division

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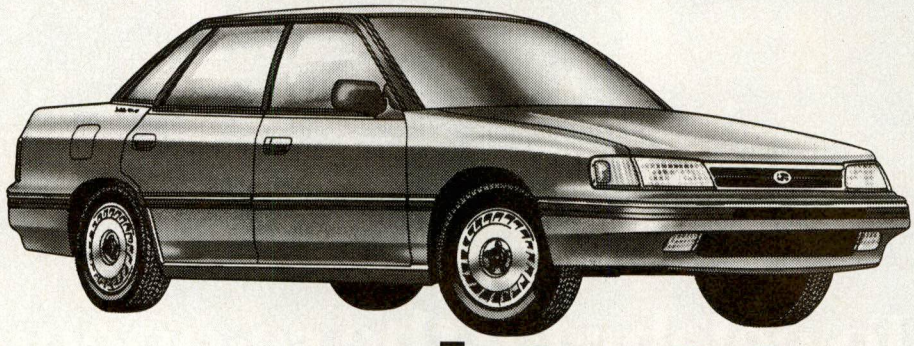

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can develop. The Pentagon budget will still be cut, but perhaps by as little as $10 billion, obliterating any chance that a substantial peace dividend will help relieve pressure on the government deficit. "Every politician will cite the gulf crisis as a justification for his favorite weapon," says Lawrence Korb, a former Pentagon official now at the Brookings Institution in Washington. For example, Senator Robert Dole has already argued that Iraq's move proves the need for the Stealth bomber, a plane less useful in the gulf than the A-10 tank killer that Air Force pilots disdain because it cannot fly more than 500 m.p.h.

Moreover, the crisis has raised doubts about the Pentagon's post–cold war concepts. In his strategic review, Cheney envisioned potential conflict with states that are lightly armed compared with the U.S. Iraq, with the world's fourth largest army and a huge array of Soviet-built tanks and planes, modern missiles and artillery, is not what the Pentagon was planning for. Another rethinking is getting started.

The question is whether that re-evaluation will be any more productive than prior Pentagon brainstorming. There is no question that the U.S. is well armed. The Reagan-Bush buildup has produced 2.1 million highly trained men and women in uniform, a 549-ship Navy and an Air Force of 2,600 planes. But these muscular formations are of little use if they cannot arrive quickly where they are needed. The embarrassing fact is that the Pentagon was not ready to fight even the war it was supposed to be preparing for. One revelation delivered by the long, slow sea-lanes to the Persian Gulf is that the U.S. could never have made good on its NATO commitment to move 10 Army divisions to Europe in 10 days in the event of a Soviet attack.

The explanation for the logistics shortfall is simple enough: the armed services are not interested in spending money on programs that do not produce weapons. Promotions go to those officers who command warships and fly warplanes. Says a Navy captain: "You don't make admiral driving freighters." Left to their own devices, Pentagon planners invariably opt for the furthest reaches of technology, seeking machines with almost magical properties. What they usually get are production delays, cost overruns and hardware that never lives up to its advance billing. They are again talking up their pet projects. "The Pentagon sees this crisis as 100% justification for every system it has or wants," says a key Senate staff member.

Though the need to match Soviet nuclear weapons and massive conventional strength has faded, the services have not changed their ways. The Air Force is planning for a new generation of advanced Stealth fighters, the Army for a new breed of 80-ton tanks so massive they could not be driven across bridges even in Europe, the Navy for faster, quieter nuclear submarines and a fleet of destroyers costing $1 billion apiece. If they could bring themselves to accept modernized follow-on generations of the highly capable weapons already in the inventory, the services could acquire more of them faster and more cheaply.

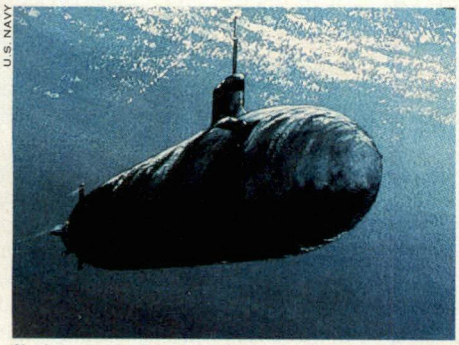
Instead, the services are seizing the moment to argue against cutbacks they reluctantly agreed to during Cheney's strategic review. The Air Force puts out straight-faced claims for potential B-2 utility in the gulf. Generals argue that reducing the Army from 18 to 12 divisions is not a good idea. The Navy insists it must keep 14 aircraft carriers deployed and not 11, as Cheney had proposed to the service chiefs.

So far, the lessons of the gulf have been otherwise. Even if the U.S. shipped 250,000 troops to the area, that would be only 12% of its current forces. Tactical aircraft like the F-15, F-16 and A-10 have been the main elements in putting Saddam's tanks and planes at risk. If heavy bombing were necessary, the veteran B-52 would be more than adequate.

Even if a shooting war with Iraq occurs, the modest cuts Cheney was about to order are still reasonable. If he draws back under service pressure, it would take courage for Congress to ignore charges of lack of patriotism and push the reductions through. It may come to that. The chairman of the House Armed Services Committee, Les Aspin, offers a Washington truism: "It's still easier for politicians to cut defense than to raise taxes or cut domestic spending." Of course, if a hot war with Iraq breaks out, all such bets are off. That could cost the U.S. thousands of casualties and an estimated $1 billion a day. —***Reported by Bruce van Voorst/Washington***

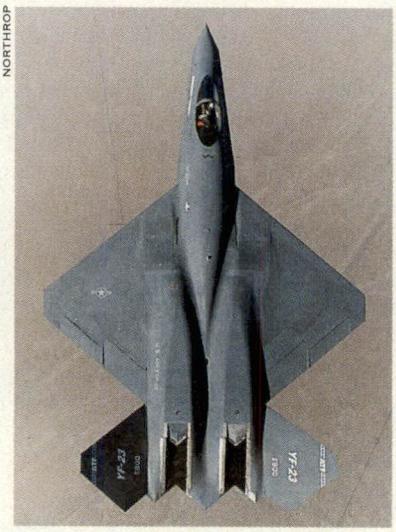
HARDWARE THE U.S. DOESN'T NEED

SSN-21 SEAWOLF


U.S. NAVY

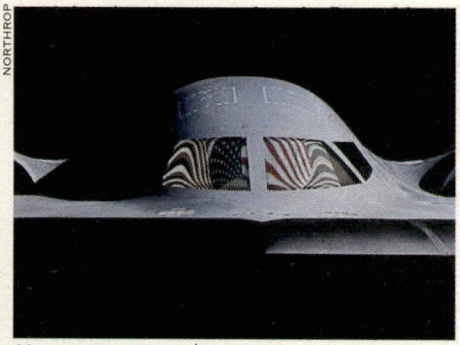
Nuclear-powered attack submarines were designed to sink Soviet ballistic-missile subs, and the U.S. already has 93 of them. With the threat from the Soviet Union diminished, that might seem enough. But not to the Navy, which wants to build 29 of the new SSN-21s at about $2 billion each. The submariners claim that the Seawolf will be quieter, smarter and carry more torpedoes than its predecessors. Even if it will, those are marginal advances that do not justify the price tag. Nor is it easy to see how attack submarines would help deal with conflicts like the one in the gulf.

YF-23 FIGHTER


NORTHROP

This is one version of the Advanced Tactical Fighter, the Air Force's proposed successor to the highly effective F-15. The ATF will have a longer range, more maneuverability and the latest in radar-defeating stealth technology. Though it has not explained what threat makes the new plane necessary, the Air Force plans to build up to 750 of them at about $100 million each.

B-2 BOMBER


NORTHROP

After spending almost $30 billion to develop the Stealth bomber, the Air Force wants $45 billion more to build 75 of them. It is a plane without a mission, designed to penetrate Soviet air defenses. But by the time a B-2 could reach the Soviet Union, intercontinental and submarine-launched nuclear missiles would have destroyed those defenses along with up to 15,000 other targets. As Iraq demonstrates, the U.S. does need heavy bombers, but it already has 247 B-52s and 97 B-1s to handle real contingencies.

REGIS BOSSU—SYGMA

The wreckage of a C-5A cargo plane that crashed in West Germany, killing nine reservists

Weekend to Full-Time Warriors

Call-ups cause some hardship, but the U.S. can no longer sustain a big military buildup without using the reserves

Christie Trexel, 26, who sells Cameo lingerie at home parties, was at a weekend sales convention in Dallas when she got word to hurry home to Cherokee, Iowa. Last Tuesday she and her husband Donald, 39, called their five-year-old son Joe in Omaha to tell him that he and his year-old brother Phillip would have to prolong a visit with their grandmother. The next day Christie and Donald flew to Wilmington, N.C., with an Army reserve unit called to active port-security duty, leaving family and friends to harvest the corn and soybeans from their 200-acre farm in October.

It is unusual for husband and wife to be called to the colors together. But otherwise, the Trexels' story is being repeated almost every day around the country. During August, 8,870 reservists were summoned to active duty. Some 38,000 more will be called up this month.

That should be no surprise—even though the call-ups are the first in 20 years. It is virtually impossible today for the U.S. to sustain a military undertaking the size of the buildup in the Persian Gulf without mobilizing some of the million-odd weekend warriors. Until 1976, no reserves could be activated unless the President or Congress declared a national emergency. But the law now permits the White House to call as many as 200,000 reservists for an initial term of 90 days (easily stretchable to 180 days) without any proclamation.

After the draft was abolished in 1973, the Pentagon adopted the Total Force Policy, placing heavy reliance on the reserves. National Guard units today supply 53% of the Army's potential infantry and 47% of its armored fighting power. Reserves account for nearly all the Army's water-desalting capability, particularly important in arid Saudi Arabia, and 93% of the Navy's cargo-handling capacity.

The principal reason for this policy has been economy. Today's reservists are a far cry from the fat, lazy weekend warriors of legend. They pass the same physical tests as regulars, get the same sort of training, and drill with the same advanced equipment. Nonetheless, it costs only a third to half as much to pay, train and equip a reservist as it does a full-time soldier.

A subsidiary motive has been to bring the human costs of any major military venture home to communities around the country quickly, by reserve call-ups that would swiftly test popular backing. So far, only support personnel, not combat groups, have been activated. Nonetheless, nine reservists have already died. The Air Force cargo plane they were flying to Saudi Arabia crashed last week in West Germany.

Some reservists face financial hardship because their military pay will come nowhere near matching their civilian incomes. Though some employers are making up the difference, many are not; their only legal obligation is to hold a reservist's job open for his or her return. Reservists, however, can have the interest rate on mortgage and other debts reduced to 6% under the 50-year-old Soldiers' and Sailors' Civil Relief Act.

One who will receive this interest benefit is Dr. Michael Millbern, 42, chief of anesthesiology at Scripps Memorial Hospital in La Jolla, Calif. He reported last week to Balboa Naval Hospital in San Diego for 90 days of duty, during which he will see little of his wife Dotti, 41, a nonpracticing registered nurse and member of the Naval Hospital Reserves, unit 519. She has been summoned to duty at Oakland Naval Hospital, 490 miles away. Dr. Millbern's mother is flying from Florida to care for the Millberns' children, a daughter, 12, and a son, 9. The Millberns' combined military pay will be $9,600 a month, less than half what Dr. Millbern had been earning. That might not be sufficient to meet monthly mortgage payments of nearly $6,000 on their newly remodeled home, plus private-school tuition for the children and other expenses. But the interest rate on their first mortgage has been reduced to 6%, while Union Bank, which holds a second mortgage, will allow him to skip payments while he is on active duty.

Despite the hardships, there seems to be little grumbling of the sort that attended previous reserve call-ups. Like the regular military, today's reserves are an all-volunteer force whose members joined for various reasons: extra income, a chance for free training in a specialty allied to their civilian jobs, or travel (reserve units have trained with regulars as far away as Egypt). Some may have joined thinking they would never be called, but most have long accepted that they might be. Now that it has happened, many view their service as a necessary repayment for whatever benefits they have derived from their reserve status; others seem moved by genuine patriotic ardor. Says Army Major George D. Lanning, 41, who last week left his job as superintendent of the Amity School District in Amity, Ore., to assume command of the 35-member 206th Transportation Detachment in Fort Lewis, Wash.: "The group is pumped." ***—By George J. Church. Reported by Barbara Dolan/Chicago and Bruce van Voorst/Washington***

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BARRY IVERSON

An oil refinery at Ras Tanura, Saudi Arabia: OPEC has agreed to make up for the shortfall by hiking production by 4 million bbl. a day

What's That Cracking Noise?

Thanks to Saddam, a credit crunch could squeeze the world economy

By BARBARA RUDOLPH

After all the gloomy forecasts, all the frenzied selling of the first few days, the mood of the world's financial markets brightened a bit last week—from near hysteria to mere anxiety. War could still erupt in the Persian Gulf; oil prices could remain relatively high. Yet for the moment it appears that ahead lies not a global depression of historic proportions but an old-fashioned recession—painful, though probably not fatal. Saddam Hussein's oil shock has not destroyed the foundations of the world economy, but it has exposed serious weaknesses in the beams.

Even the most pessimistic forecasters were cheered when OPEC decided last week to allow its 13 members to increase production to make up the shortfall of roughly 4.6 million bbl. a day lost in the U.N.-mandated embargo on Iraqi and Kuwaiti crude. In the wake of the cartel's action—Iraq and Libya did not attend the meeting in Vienna—petroleum prices dropped about $2 in one day, to $26 per bbl. Toward week's end, however, traders began fretting once again about a possible gulf confrontation and a disruption in energy supplies; with that, the price for October delivery closed at $27.32 per bbl., down 12% for the week.

No sooner had OPEC made its announcement than the Bank of Japan raised another cause for concern: it upped its discount rate 0.75%, to 6%. The central bank's fifth such increase in little more than a year, it should not greatly slow the potent Japanese economy, which is growing at a rate of more than 4% a year. But investors are worried that the move could spark a worldwide run-up in interest rates. Since rates on long-term government bonds have risen 55% in Japan and more than 36% in West Germany in the past two years, a new round of hikes could cause a worldwide credit crunch.

The parlous state of the U.S. economy is likely to weaken even the healthiest of countries, since so much of the world relies on Americans to buy its goods—from Sony camcorders to BMW cars. The U.S. recession either is about to begin or has just started, and rising oil prices promise even slower growth and, simultaneously, higher inflation.

Some economies will weather the coming storms, while others look fragile.

EUROPE AND THE SOVIET UNION. Partly because the European Community relies on oil for only 40% of its energy needs today, vs. 60% during the oil shock of 1973, most West European

ECONOMIES IN LIMBO

Projected economic growth (percent change in GNP)	1990		1991	
	PRE-CRISIS	POST-CRISIS	PRE-CRISIS	POST-CRISIS
E.C.	3.0	2.9	3.0	2.6
Japan	4.5	4.3	3.5	3.4
South Korea	7.9	7.8	5.8	5.1
Brazil	-4.1	-4.2	0	-0.6
Nigeria	2.0	3.6	2.9	4.6
Zimbabwe	3.9	3.5	4.4	2.8

Projections by DRI/McGraw-Hill made prior to the gulf crisis assumed an oil price of $18.50 per bbl. at the end of 1990; after the crisis, the price was adjusted to $25 per bbl. and then leveled to $23 in 1991

economies are on relatively solid ground. None are more robust than West Germany's, which is expected to grow 4% this year, despite the financial burdens of unification. More remarkably, a united German economy should still expand 3.5% in 1991, predicts Peter Pietsch, an economist at Frankfurt's Commerzbank. Bonn has been bolstered by a strong deutsche mark, which this year has gained 8% in value against the dollar, the currency in which oil trading is done. Nevertheless, energy will be one of the many problems facing a united Germany. Says Robert Hormats, vice chairman of Goldman Sachs International: "West Germany is merging with one of the most wasteful consumers of energy around."

Though France's extensive nuclear-energy program has reduced its reliance on oil, growth will drop from 3.7% last year to around 2.5% this year, but is projected to rise to 2.9% in 1991. Italy, which banned the construction of nuclear plants in 1987 and is the E.C.'s largest oil importer, is more exposed. Britain is the Community's only significant crude producer; its inflation rate, already 9.8% annually, is likely to climb higher, at least in the short term. But next year, some British forecasters predict, prices could start falling.

Eastern Europe's economies may face the struggle of their lives. For the first time in decades, they will have to pay the market price for energy instead of relying on subsidized oil from the Soviet Union; they must also make do with a 30% cut in Soviet supplies. Even with oil at only $20 per bbl., Bulgaria would be forced to use 80% and Czechoslovakia 60% of hard-currency reserves to pay for supplies. Though the Soviet Union stands to gain an additional $7.5 billion in hard-currency earnings as a result of the price run-up, Moscow cannot expect a bonanza: its oil industry is so inefficient that production will decline this year and next.

THE PACIFIC RIM. Japan justifiably claims credit for reducing its dependence on oil imports, down from 77% of total energy supplies in 1973 to 58% today. But ballooning petroleum prices risk sparking inflation. The official inflation rate of 2.5% is understated, since it does not reflect property values that have risen to unprecedented heights in the past five years. Moreover, with the country's rapidly aging population, Japanese companies face a severe labor shortage that threatens to drive up wages and, eventually, prices.

To fight inflation, the Bank of Japan is using the only weapon in its arsenal: higher interest rates. A credit squeeze seems likely. John Hickling, portfolio manager of Fidelity Investments' Pacific Basin Fund, thinks the liquidity drought has arrived. Since nothing spooks stock-market investors like the prospect of rising interest rates and a credit crunch, Japanese shareholders have been cleaning out their portfolios, driving the Nikkei average on the Tokyo exchange down more than 30% from its late December high.

That leaves Japanese banks in a precarious spot: they could suffer losses on their extensive securities holdings just when other major assets—loans to overleveraged property developers—sour. In Japan real estate can be used as collateral to buy stocks, and vice versa—a cozy arrangement until values crumble. If losses were to mount, banks would be forced to cut their loans to businesses. Firms would in turn reduce capital spending, and a recession would soon be under way.

Many Asian countries, with the exception of Indonesia, China, Malaysia and Brunei, import nearly all their crude. Since they rely almost entirely on export markets to fuel their growth, they remain especially sensitive to the economic well-being of their trading partners. With oil prices rising and the U.S. economy slowing down, traders in the smaller stock markets are looking glum: in Taipei, shares have plummeted 65% from their year-end high, while the Bangkok market has slipped 40% in just two weeks.

THINK YOU PAY A LOT AT THE PUMP?

H. MERLIAC—SYGMA

THE THIRD WORLD. The latest upheaval, like others in the past, will cause the greatest suffering in the Third World. Aside from a handful of oil producers, such as Venezuela, Mexico, Nigeria and Libya, most of Africa and Latin America will be left with higher energy prices and softer markets for their exports. Double-digit inflation could turn into triple digits, recessions could become depressions, and foreign debt would go unpaid.

With less than three months' supply of foreign-exchange reserves, much of Africa will have trouble paying its energy bills. Sub-Saharan Africa is already finding it difficult to handle the interest on its $135 billion foreign debt. Even the more stable economies will be badly hurt by the energy price hike. Kenya, for example, will see its oil-import bill increase from $300 million to $400 million a year if the price settles at $25 per bbl. Says Ross Wilson, a consultant at Deloitte, Haskins & Sells in Nairobi: "The question for Kenya is, How many loads can the camel take?"

In Brazil the oil shock strikes just as President Collor de Mello's radical anti-inflation regime, which includes a tight monetary policy, is beginning to show results. Inflation, which hit 73% a month before the plan took effect last March, has cooled to less than 13%. Government officials predict that Brazil will lose $3.3 billion because of higher oil costs and loss of exports through 1991. If prices stay at $25 per bbl., next year's energy bill will grow $2 billion. As a result, Brazil may not resume payments on its foreign debt of $115 billion.

As Latin America's leading oil producers, Mexico and Venezuela will benefit from the price hike. Mexico might pocket an additional $2 billion in hard-currency earnings, Venezuela perhaps $2.4 billion. But for Mexico particularly, the gains could be erased if a recession in the U.S. cripples its best market: America traditionally buys 65% of Mexico's exports.

The petroleum producers of the Middle East, with the exception of Iraq and Kuwait, stand to gain the most. Even if the production level were not increased, Saudi Arabia should sweep in an extra $38 million a day if prices stabilize at $25 per bbl., while the United Arab Emirates should increase its take by about $18 million. The biggest winner may be Libya, which will collect an additional $9 million a day and, unlike the Saudis and other gulf states, will not pay part of any bill for keeping U.S. and other forces in the gulf. It is one of the ironies of the current crisis that Muammar Gaddafi, the man perhaps most feared by Westerners until Saddam Hussein took his place, should profit so handsomely from the showdown in the gulf. —***With reporting by Seiichi Kanise/Tokyo and John Maier/Rio de Janeiro, with other bureaus***

An Urgent Call to Negotiate

HOSNI MUBARAK, the President of Egypt, hopes a diplomatic solution can cool the month-old crisis but fears the region is moving tragically toward war

By **DEAN FISCHER** CAIRO

Q. Is war unavoidable?
A. We can avoid war. It is not that difficult. It depends on President Saddam Hussein. He should respond to the pressures to save his country and his people. War is a tragedy, a disaster. I can't understand why he doesn't realize what would happen if war broke out.

Q. But time seems to be running out.
A. He should understand what is happening in the world. His advisers should have the courage to persuade him to respond to international public opinion. This is the first time since World War I that nearly all the countries in the world are standing against the invasion of one country by another.

Q. Do you accept the possibility that force might have to be used?
A. I hope from my heart that we don't reach the point of using force. I hate war. But as a military man, I fear we are moving toward war. One word from Saddam Hussein would stop this catastrophe: Withdraw.

Q. Could this confrontation have been avoided?
A. I tried several times. I suggested a summit. I whispered in the ears of King Hussein that if President Saddam showed flexibility in withdrawing his forces and restoring the legitimate government of Kuwait, then we would put Arab forces in a buffer zone and start negotiations between them. I think the world would have respected this. King Hussein told me that Saddam agreed to a summit. When I asked him about withdrawal and restoration of the Kuwaiti government, King Hussein said he hadn't discussed those points. So I said how can I invite the heads of state to a summit? What am I going to tell them?

Q. Did you see any signs before the Iraqi invasion that it was going to take place?
A. I didn't have even the slightest thought that one Arab country would swallow another. I thought President Saddam was very reasonable.

Q. At the Arab summit meeting in Baghdad last May, Saddam threatened to use the oil weapon against the U.S.
A. I heard that from several heads of state. I'm used to hearing it every now and then. I did not think it was a signal that something was going to happen.

Q. Did Saddam assure you that he had no intention of invading Kuwait?
A. Yes, yes. He promised that he was only making a threat and he was not going to go beyond that. We were sitting tête-à-tête, just the two of us, and he said exactly that.

Q. Do you think anybody outside Iraq knew of his plans?
A. I heard some rumors that two other heads of state knew about it beforehand. [Although Mubarak would not specify, he is known to believe that the two were Jordan's King Hussein and President Ali Abdullah Saleh of Yemen.] But even if I had been told this before the invasion, I would never have believed he would do it.

Q. Do you see any solution to this problem other than Saddam's withdrawing his forces and resolving his differences with Kuwait in negotiations?
A. I advised President Saddam even before the invasion that his problems with Kuwait should be solved by negotiations. I told him he should realize that the problems would not be solved in two or three meetings and that some other heads of state were prepared to intervene to reach a good result for both sides.

Q. What sort of negotiated settlement is acceptable to you?
A. Iraq must withdraw from Kuwait. If Saddam Hussein agrees to evacuate, I will be the first to call for all foreign forces to leave the region. Then we shall replace them with Arab troops. Once the Kuwaiti government is restored, the problems between Iraq and Kuwait can be resolved in negotiations.

Q. Henry Kissinger, for one, has said that if sanctions and diplomacy fail, the U.S. should consider a surgical and progressive destruction of Iraq's military assets.
A. I care for the Iraqi people. I want them to be spared the miseries of war. I hope this can be avoided.

Q. Some Americans have suggested the Arab countries should be doing more to defend against the threat of Iraqi aggression.
A. Egypt, Syria and Morocco have joined the gulf countries in sending troops to Saudi Arabia. If King Fahd asks us for more troops, I am prepared to send them immediately.

Q. What can be done to overcome the divisions in Arab opinion toward Iraq?
A. I regret any divisions in the Arab world. But I also believe that if you are right in your judgments, time will heal everything. To us it is a question of principle. Those who disagree today will come back tomorrow.

Q. What about the political future of the region? How will the crisis affect the Palestinian problem?
A. If this crisis could be solved, I think it may be a little bit

THOMAS HARTWELL

"I hope from my heart that we don't reach the point of using force. I hate war. One word from Saddam Hussein would stop this catastrophe: Withdraw."

easier to address the Palestinian problem.

Q. Why?
A. People in this area will realize that negotiations are the best way of solving problems, rather than launching war against each other. For the time being, Palestinians are divided by Yasser Arafat's support for Iraq. But I think all of them will have to go back to the negotiating route after this crisis is over.

Q. Will your improved relations with Syria help?
A. I can't foretell what will happen. I know that when our two countries are friends, it is good for the Arab world.

Q. You have been accused by Arab critics of being an American puppet. Now that you have deployed troops to Saudi Arabia and you are assisting in the American military buildup, how do you respond to that?
A. I never respond to it. We are not puppets. We have our own interests, and we are not controlled by any country. We have good relations with America, with the Soviet Union, with Europe, with the Eastern bloc, with the African continent, even with the Arab world. Egypt is Egypt. Egypt will never be a puppet for anybody, and those who are saying this know it perfectly well.

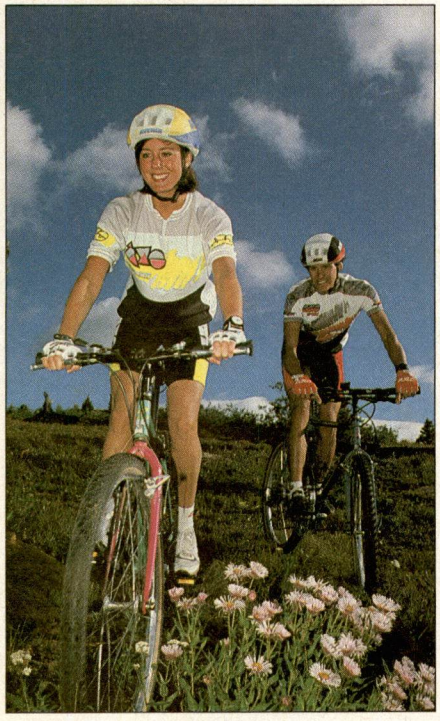
Q. But many Arabs are disturbed by the presence of foreign forces in Saudi Arabia.
A. What could the Saudis do? When your country is threatened, you have to protect yourself. Many nations over the years have called for help from foreign armies. Even Egypt brought in Soviet troops after the 1967 defeat by Israel.

Q. What does Saddam Hussein want out of this?
A. I really don't know. Probably money and power. ■

OUTDOOR ESCAPES:

Mountain Biking

Brian Starr



How to have more fun outdoors: 2nd in a series Brought to you by ISUZU

If you have the heart of an adventurer and the soul of an explorer, then mountain biking on a "fat-tire" bike may be the sport for you. You'll be sharing your space with fellow bikers, hikers, and regular residents of the outdoors–raccoons, rabbits, and deer. This fun adventure awaits you on designated woodland trails, dirt roads, and deserted beaches.

Mountain Bikes are Different

With a mountain bike, it's possible to negotiate tight turns, zoom ahead on steep hills without losing traction, and come to a complete standstill while quickly reading the surface of the trail ahead.

Unlike ten-speed racers, mountain bikes have at least 18 gears, a higher ground clearance, fatter tires with deeper treads, and sturdier frames. A new, good quality mountain bike can be purchased for as little as $300.

"When buying your bike," says John Kukoda, technical editor of *Bicycling Plus Mountain Bike* magazine, "buy from a reputable bike shop that employs knowledgeable sales help. Specify that you intend to use it primarily off-road, and choose one that's the right size for you; a proper fit helps you ride over rocks and logs without injuring yourself."

To master the art of mountain biking, you must develop your ability to balance and create traction. The secret to developing these skills involves learning how to shift your weight. Traction prevents your back wheel from lifting off the trail when going down steep hills; balance keeps your front wheel from popping up on long ascents, allowing you to go very slowly without falling over.

Pedal Safely

Transport your bike using a roof rack designed to hold it on top of your vehicle–so neither will get damaged. Care for your bike as you would your car, and learn simple maintenance procedures. Before you head out on the trail, prepare your bike: clean mud and sand out of the gears; adjust saddle height; check your tire pressure and brake pads; and pack your tool kit in case of a flat. "The most important piece of equipment you can buy besides your bicycle," says Kukoda, "is a hard-shell helmet." In the event of inevitable spills, it can save your life.

Since others will be sharing the wilderness with you, use caution as you go around bends and over hills: assume you'll come upon an animal, a hiker or another biker. Avoid mud so you won't leave deep ruts in the path. And avoid skidding to a fast stop–this erodes the surface of the trail. Follow these simple guidelines, and the wilderness will be open to you and your bike for many years to come.

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For more information, contact: The National Off-Road Bicycle Association (NORBA), 1750 E. Boulder St., Colorado Springs, CO 80909

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There's no comparison.

A New Ball Game

Black and female candidates have changed some of the political rules

By **MARGARET CARLSON** WASHINGTON

Pity the White Male Candidate. For nearly two centuries WMCs had politics all to themselves. But this year, facing a record number of female and black opponents, they are finding that the negative ads and hardball rhetoric that worked so well when one WMC squared off against another are less effective when the target is a woman or a black.

With 77 women running for Governor or the Congress, WMCs might be forgiven for wondering why a woman can't be more like a man. Treating a woman like a lady—or even worse, a girl—can seem condescending and patronizing. But being too rough also has its perils. Humor has to watch its step. A joke the slightest bit offkey can come across as a sexist put-down. When anything a candidate says can be used against him, even metaphors must be sexually correct. Warns Republican political consultant Eddie Mahe: "A sports reference like 'three yards and a cloud of dust' can get you in trouble if you are running against a woman."

A similar etiquette goes into effect when a WMC runs against a black. This year Doug Wilder wannabes joined the races for Governor of Georgia (Andrew Young lost the Democratic primary) and South Carolina, and in North Carolina former Charlotte Mayor Harvey Gantt is trying to deny Jesse Helms a third term in the U.S. Senate. For WMCs in such contests, references to black marks on their opponents' records are clearly out of bounds, as are allusions to crime and welfare dependency, which might have racist overtones. Blacks are freer to flirt with racial rhetoric. In the primary battle between black former Federal Judge Alcee Hastings and ex–Ku Klux Klan leader John Paul Rogers to be Florida's secretary of state, Hastings got a laugh last month by quipping, "If [Rogers] doesn't burn crosses in my neighborhood, I won't spit watermelon seeds in his." If Rogers had made the vow in reverse, he would have been accused of bigotry.

So what are WMCs supposed to do? They are trying a variety of tactics with varying degrees of success.

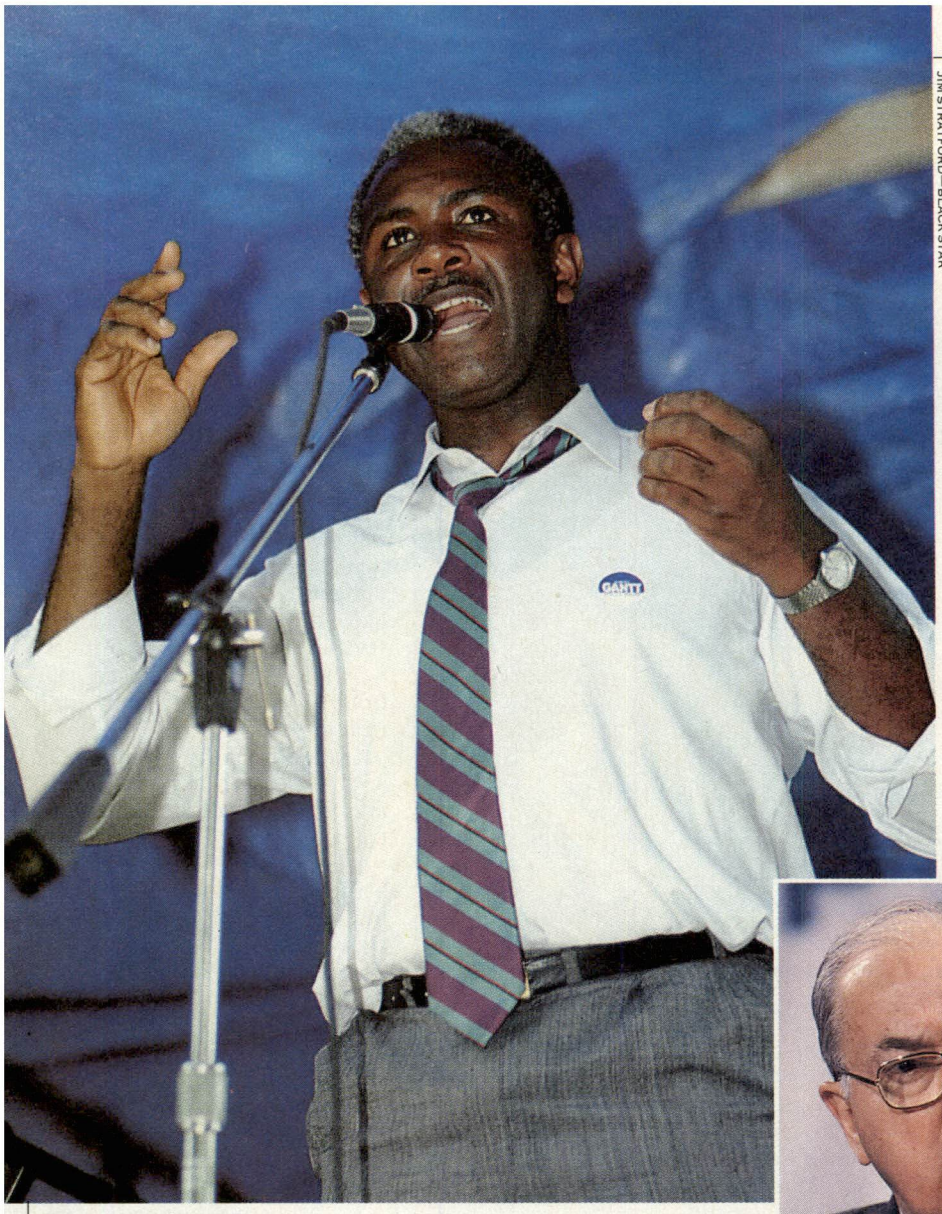
The Barbie-Doll Treatment. This strategy—painting a female foe as simply too sweet for the job—is being tested by WMCs in several states. In Colorado Republican Senate hopeful Hank Brown dismissed Democrat Josie Heath's written demand that he put in escrow $605,000 raised for his campaign at a luncheon chaired by a Denver developer with the comment, "It's a cute letter, but without substance." Heath snapped back that Brown's remarks were "incredibly patronizing. Modern men and women in this country today are well past using language like 'cute' with a woman's serious request on a matter of grave importance."

The most frenzied version of this technique is taking place in California. Just after Dianne Feinstein won the Democratic nomination for Governor last June, her G.O.P. challenger, Senator Pete Wilson,

SHELLY KATZ—BLACK STAR

ERICH SCHLEGEL—THE DALLAS MORNING NEWS

PILTDOWN PUT-DOWN COMEBACK: In Texas, G.O.P. gubernatorial candidate Clayton Williams complained that running against a woman made him uncomfortable because she might be "meaner and tougher." Democrat Ann Richards fired back, "Even cowboys get the blues . . . But I don't want to be his mother. I want to be Governor of Texas."



JIM STRATFORD—BLACK STAR

AL STEPHENSON—PICTURE GROUP

BLACK ATTACK: **Even ultra-right conservative Jesse Helms, running against former Charlotte Mayor Harvey Gantt, knows that white-on-black attacks are perilous these days. So he has hired James Meredith, a civil rights pioneer, who makes his charges for him. Meredith claims that some black leaders are controlled by "a cadre of 15 white men."**

tried to show that behind those severely tailored suits and 10 successful years as mayor of San Francisco was just another softhearted female. He broadcast a television commercial showcasing a letter from Feinstein that concluded with the handwritten postscript "You're wonderful." She quickly rejoined with a Ken-doll putdown: "I guess men like to be called wonderful . . . I'm glad he treasures it and keeps it." Wilson then blasted Feinstein for taking a vacation and challenged her to debate him. Feinstein fired back, "Please have your campaign director contact my campaign director." And she stayed at the beach. Recent polls show they are locked in a dead heat.

Piltdown Put-Down. This strategy was pioneered in 1984 by Vice President Bush when he boasted that he had "tried to kick a little ass" in his televised debate with Geraldine Ferraro. Similarly, Republican Clayton Williams, running against state treasurer Ann Richards in the battle for Governor of Texas, seems to be less worried about being too insensitive than about not being insensitive enough. For that great swath of good ole boys caught like him in a mid-life culture shift, Williams has vowed to bring back the days when a man was a man and a woman knew that her place was not at the top of the Democratic ticket. He started by asserting that he would be "uncomfortable" running against a woman on the grounds that "maybe she's meaner and tougher, I don't know." Then, at a cattle roundup at his West Texas ranch last March, he allowed that bad weather was like rape: "If it's inevitable, just relax and enjoy it." Next he proclaimed that when he was growing up, being serviced by prostitutes was part of a healthy male's coming of age. Soon his aides were chiming in. One remarked that Richards had "danced around the issue [of flag burning] so much, her position ought to be 'read my hips.' " Then two Christian activists with financial ties to Williams labeled Richards "an honorary lesbian" for supporting gay rights. After Richards charged that Williams was using surrogates to attack her and "hiding behind skirts," his reply went about as far as a candidate can go in a family campaign: "By the time this election is over with, that person will have all of me she wants."

Despite, or because of, his so-called gaffes, Williams remains well ahead in the polls, 47% to 37%, with 57% of men to Richard's 28%. Richard Shingles, a scholar at Virginia Polytechnic Institute who is doing a study on gender and race in politics, explains that in Texas "it takes more for a man to be perceived as a bully than it takes for a woman to be perceived as a bitch."

Black Attack. Being overtly antiblack is even more out of style than being antifemale. Although Jesse Helms' success is due partly to opposing civil rights legislation, these days he must find a way to keep white voters focused on Gantt's complexion while seeming to be above appeals to prejudice. That's where James Meredith comes in.

Since becoming the first black to enroll at the University of Mississippi in 1962, Meredith has moved away from the civil rights mainstream. Among his achievements since joining Helms' staff last year: firing off a press release in July declaring that of the 3,000 delegates to the recent convention of the National Association for the Advancement of Colored People, "I have a background profile on more than half of [them], and over 60% are involved in the drug culture and at least 80% are involved in criminal or immoral activities" Helms mildly criticized Meredith for using Senate letterhead. Gantt called Meredith's comments "racist." Democratic National Committee chairman Ron Brown, a black, whom Meredith called on to admit whether he had ever used drugs, said through a spokeswoman that he would "submit to a drug test any day of the week if James Meredith submits to an IQ test." The latest Mason-Dixon poll shows Gantt only slightly ahead, with 46% of the vote to Helms' 44%.

These clumsy techniques show that being a WMC is not as much of an asset as it used to be. WMCs are, after all, mainly to blame for the bulging deficit, the savings and loan debacle and a host of other ills. Substantively and stylistically, it's a minefield out there for the WMC. This may be the year when outsiders have the inside track. ■

Back to the Other War

The gulf crisis complicates a last-ditch budget summit

Amid the fears of a U.S. war with Iraq, America's struggle against a no less threatening enemy has been all but forgotten. That foe is the soaring federal deficit. In the four months since President Bush and congressional leaders convened their budget summit, Administration estimates of this year's deficit have exploded from $100 billion to $149 billion, not counting the $100 billion bailout of bankrupt savings and loans. The gap could grow even larger if the economy, already on the brink, is pushed into a recession by surging oil prices from the Persian Gulf crisis.

That prospect makes coming to grips with the deficit all the more urgent. But throughout the blame game that has passed for negotiations, both sides have been more interested in scoring political points than in solving the problem. So the prospect is that both the Administration and its Democratic opposition will use the confrontation with Saddam Hussein as an excuse for delaying action to break the impasse.

POWERS—THE WHITE HOUSE

In Maine, Bush, Darman and Sununu plot deficit strategy

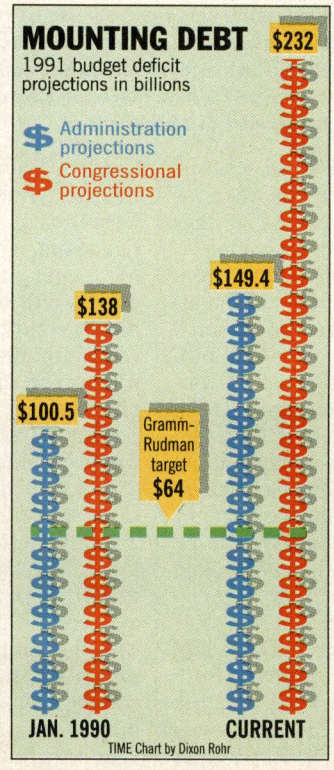
Sacrifice is needed, but procrastination may prevail.

The White House has been smarting because it has been outmaneuvered by Democrats. First the President outraged many Republicans by backing away from his "no new taxes" pledge. Then, after both sides agreed to submit budget proposals simultaneously in late July, the Administration plan leaked and Republicans, seeing that it was studded with new taxes, bolted. The Democrats, relishing Bush's discomfort, withheld their ideas, and the summit collapsed without discussion of specific new revenues or spending cuts.

White House chief of staff John Sununu has been trying to avenge that hardball act. He had planned to have Bush go on the offensive, blaming Democrats for the breakdown. But that plan was shelved as inappropriate after Iraq invaded Kuwait. Not until Budget Director Richard Darman and Treasury Secretary Nicholas Brady were out of town three weeks ago did Sununu get his way. He persuaded the President to interrupt his vacation—and his direction of the U.S. response to Saddam's aggression—to blast the Democrats for the impasse. That awkwardly timed sally appeared to embarrass Bush. He concluded his finger-pointing speech by promising to become "more statesmanlike and try to resolve this national problem."

The time for statesmanship has come. This week the talks will resume in the less than luxurious setting of Andrews Air Force Base, outside Washington. Away from the press and lobbyists, White House and congressional leaders will attempt to fashion an agreement before the Oct. 1 deadline set by the Gramm-Rudman-Hollings Act. If they fail, $100 billion in across-the-board spending cuts—the so-called sequester—will go into effect, with $25 billion coming out of military spending and the rest from such activities as prosecuting drug kingpins, closing veterans' hospitals and suspending student loans.

The summiteers' only significant achievement so far was to agree in July on a deficit-reduction target of $50 billion. But the fallout from the Middle East conflict has made that goal obsolete. It will be more difficult to make large cuts in defense spending (the Persian Gulf buildup alone is costing $46 million a day), and rising fuel costs have rendered one new source of revenue, an energy tax, politically unpalatable. As a result, both sides agree, the most that the deficit can be cut is $30 billion to $40 billion. They are thus more likely to reach for stopgap solutions, deferring hard choices until after the November elections. Among the possibilities they will consider:



► Amending the Gramm-Rudman-Hollings targets. Cutting the deficit to $64 billion as the law mandates would require either the sequester or a combination of spending cuts and new taxes equal to 2% of the gross national product. Since the economy is faltering, either choice would deepen a recession. Now that American troops are in harm's way, the slash in Pentagon spending that the sequester would bring is unthinkable. Both sides are thus likely to postpone the deadline by several months.

► Cutting the tax on capital gains from 28% to 19%. As investors rush to collect their gains at lower tax rates, this measure would yield as much as $5 billion in new revenues next year. (There would be a tax loss later.)

Such short-term measures may be all that can be accomplished, but they are not the comprehensive attack on the deficit that is necessary. The President, according to a White House official, "doesn't want to spend his political capital on some budget-balancing crusade when he might need it" to rally support for a prolonged American military presence in the gulf. Democrats too may have found the crisis atmosphere an excuse for postponing action on the deficit, which would require sharp reductions in popular domestic entitlement programs like Medicaid and farm subsidies.

Such a failure need not and should not occur. Both Bush and the Democrats still insist that the Middle East confrontation poses a danger to the economy so dire that a national emergency exists. The normal political concerns, including the pressure from special interest groups that so intimidates lawmakers, could be set aside in a spirit of national sacrifice. Last week Bush declared that action on the deficit was needed "now more than ever." But are those stirring words a call to action or mere rhetoric?

—By Ed Magnuson.

Reported by Dan Goodgame/Kennebunkport and Hays Gorey/Washington

Zap! You've Been Tagged!

Many cities are trying to erase the writing on the wall

A decade ago, New York City subway cars were the primary target for industrious miscreants who, armed with marker pens and aerosol paint cans, scribbled and sprayed themselves into a major problem. City officials elsewhere in the country smugly assumed that gang graffiti were a blight limited largely to the Big Apple.

No more. The stylized smears born in the South Bronx have spread across the country, covering buildings, bridges and highways in every urban center. From Philadelphia to Santa Barbara, Calif., the annual costs of cleaning up after the underground artists are soaring into the billions. The nationwide proliferation of juvenile gangs has added to graffiti problems, but most of the damage is done by a new subculture of wandering spray-can artists who see themselves as itinerant self-expressionists. "Gang-related graffiti mark turf," says ethnographic researcher Devon Brewer of the University of California at Irvine. "But hip-hop graffiti are associated with break dancing and rap music and just say, 'I was here.' "

The fanciful graffiti forms range from stylized signature "tags" to mural-size "pieces" that elaborately blend fanciful script, cartoon characters and messages with the artist's street name. In Los Angeles authorities are contending with organized teams of taggers who use sophisticated climbing gear to spray their signatures on overpasses or dodge high-speed traffic to emblazon murals on freeway center dividers. "They know their names will be up for months because the state department of transportation has to shut down the freeway to paint over the dividers," a harried official complained last week at a Los Angeles antigraffiti conference attended by representatives from 28 Western U.S. cities. Cost in Los Angeles alone of removal and such prevention measures as coating buildings with special paint: $28 million yearly.

After comparing notes, few conferees saw much ground for optimism. "Southern California cities are spending $100 million a year for cleanup, and the national cost may exceed $4 billion," says vandalism expert Jay Beswick, founder of the National Graffiti Information Network.

California politicians, dismayed that retailers widely disregard a state law outlawing sales of aerosol paint cans to minors, are churning out new penalties for taggers. A measure that would revoke the driver's license of anyone caught writing a graffito has been sent to Governor George Deukmejian for signing. Another bill would require store owners to lock up millions of cans of spray paint to prevent shoplifting by taggers. But it is unlikely that such supply-side measures will quench the tagging urges of the Los Angeles spray-can artist known as Chaka and his competitor Ozone, who have left their gaudy signatures some 15,000 times across the breadth of the Los Angeles basin.

—By Jonathan Beaty.

With reporting by Dan Cray/Los Angeles

JOHN LIVZEY—OUTLINE

The vice that dares to speak its name: scribbles of graffiti adorn a wall in Los Angeles

Southern California cities spend $100 million a year for cleanup; the national cost: $4 billion.

Campus Ripper

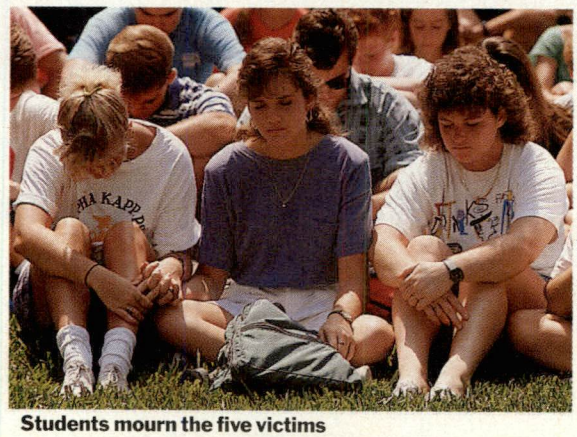
A killer claims five victims in a Florida college town

With its sun-drenched climate and beloved football team, Florida's Gainesville has long been an idyllic college party town. But that image was shattered last week. As students began fall classes, one male and three female students at the University of Florida and another woman at Santa Fe Community College were found stabbed or bludgeoned to death in off-campus apartments. Three of the victims were mutilated; one, an 18-year-old female honor student, was decapitated.

The apparent pattern of the grisly murders—the four women were all attractive, petite brunets with shoulder-length hair—has touched off fears that a serial killer might be on the loose. Nearly 200 local, state and FBI investigators have poured into Gainesville to provide security and hunt for a suspect described by Police Chief Wayland Clifton as a "methodical maniac." Among the visiting sleuths: John Douglas, who helped track such serial killers as Charles Manson, New York's "Son of Sam" in the 1970s and Florida's own Ted Bundy, who was executed last year.

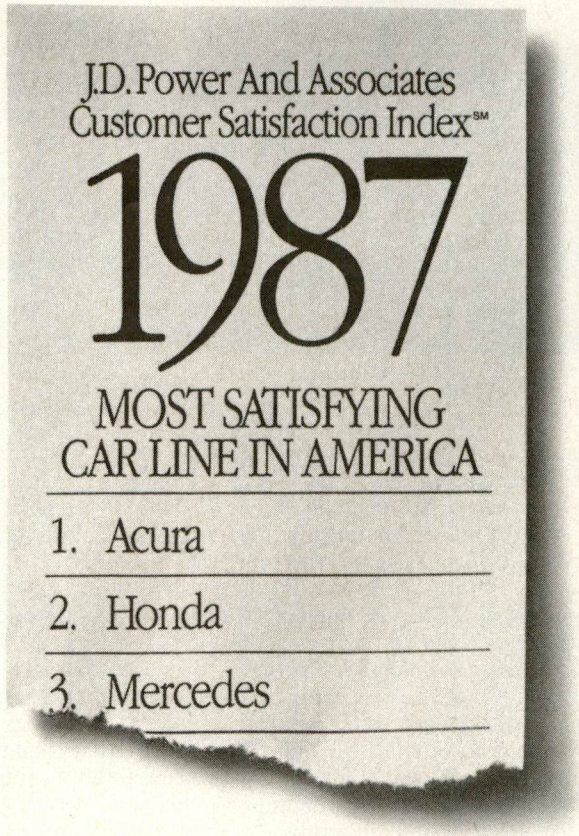
Some experts believe that the Gainesville butcher is still in the area and that there is enough evidence to track him down. Hundreds of fearful students have deserted their off-campus apartments, at least temporarily, while others are spending their nights with large groups. More than 400 have left town altogether for their parents' homes. "People are petrified," says Marshall Knudson, director of the county's crisis center, which fielded more than 10,000 calls from jittery residents last week.

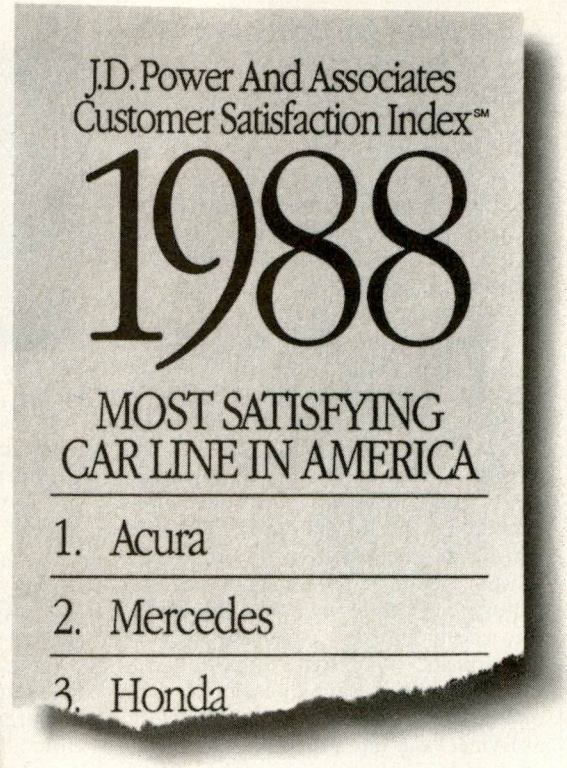
For now, Gainesville's normally busy taverns are eerily quiet, while many stores report a run on handguns, Chemical Mace, dead bolts, baseball bats and even broomsticks that residents are using to secure windows and doors. Fueling the hysteria are unconfirmed reports that the killer sliced off and carried away flesh from some of his victims. Says sheriff's department Lieutenant Spencer Mann: "People are calling in when they hear a branch knock up against the side of their house." Until the killer is apprehended, the good times in Gainesville are over. ■

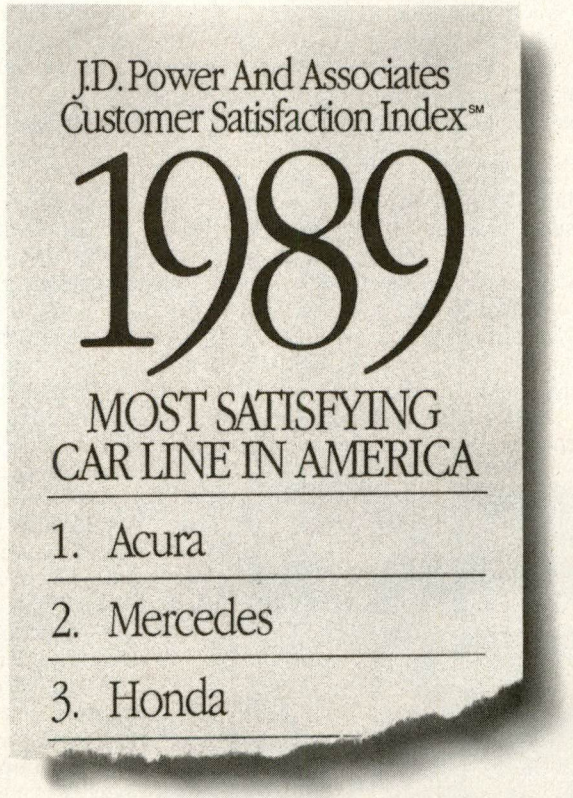


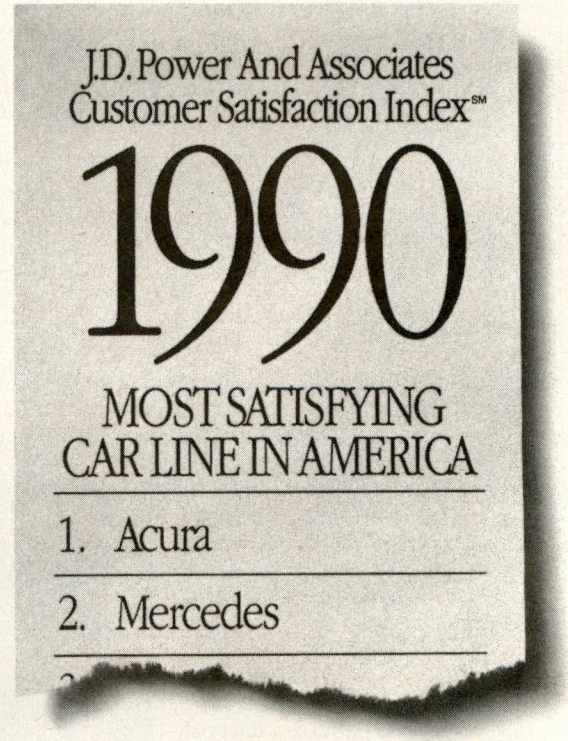
BRENDA BAWEK—GAINESVILLE SUN/SILVER IMAGE

Students mourn the five victims









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ILLINOIS

A Stealthy Killer

Without warning, violent winds up to 300 m.p.h. twisted out of the northern Illinois sky last week, vented their fury in a 16-mile-long path, then vanished. Sister Mary Keenan, principal of St. Mary Immaculate Catholic Grade School in Plainfield, was swept away from a group of teachers seeking safety in the school and was killed. Nine residents of the town of Crest Hill died when they were sucked from their three-story apartment complex and hurled 40 ft. away into a cornfield. In the tornado's swath across Joliet and neighboring small towns, at least 27 people died and more than 90 others were injured. Damage wrought by gusts powerful enough to toss dumpsters into trees was placed at more than $100 million.

After the shock of loss, questions arose over the lack of warning from the National Weather Service's radar and its volunteer spotter network. "We feel there should have been some warning," said Will County Executive Charles Adelman with grim understatement. Explained NWS's Chicago meteorologist Paul Dailey: "The radar did not indicate any kind of rotation, hook or comma-shaped signal on the edge of the cloud. All we needed was one person to call us, but we didn't get a single report." The Weather Service's Washington supervisors were sending a team to find out why the killer storm's stealthy approach had not been detected. ■

ROBERT A. DAVIS—CHICAGO SUN-TIMES

In Crest Hill rubble, parents seek their son; he was found alive

TRAFFIC

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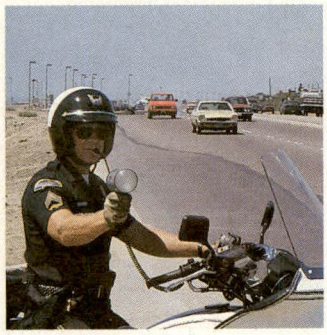


JOHN T. BARR—GAMMA LIAISON

A RICO racket?

When Congress enacted the Racketeer Influenced and Corrupt Organizations Act in 1970, federal prosecutors used it to attack organized crime. But Seal Beach, Calif., attorney Ernest J. Franceschi Jr. is suing the city of Huntington Beach, Calif., under the RICO statute for operating what he claims is an illegal speed trap. Franceschi charges that the city can't produce proof of a traffic-engineering survey justifying the use of radar on a busy stretch of road. He also says police have handed out about 100 tickets a day amounting to $20 million in fines over 10 years, and his class-action suit calls for the city to fork over $60 million in triple damages.

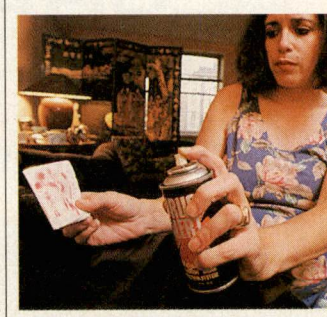
Angry police officials admit using radar but deny the speed-trap charge. If the class-action lawsuit is successful, the city will have to cough up the cash and the state will have to subtract at least one moving violation from the records of every driver nabbed along that stretch of the highway. "What can I tell you?" says Franceschi. "They got me three times in two years." ■

DRUGS

Just Spray No

Your teenage son turns jittery and develops sharp mood swings. You suspect he may be using drugs; he denies it. What to do? The question now has a chemical answer: slip into his bedroom when he is away, brandishing a spray can of Drug Alert. Wipe off his study desk, dresser top or doorknob with a clean white cloth or paper towel. Then zap the cloth or paper with spray. If a reddish-brown or turquoise stain appears, your son may be a liar.

The latest weapon in the antidrug war, Drug Alert was developed in Israel and is used by U.S. agencies for drug interdiction. It is being sold in a $49.95 kit for home use, which includes two spray cans designed to detect traces of marijuana or hashish and one for cocaine and crack. While Shertest Corp., the New York–based distributor, considers the test accurate, it suggests that any positive result be confirmed by a laboratory. The tattletale hues do not necessarily prove drug use; they only indicate that drugs had touched the tested surface. "We do not test people; we test objects," explains Sidney B. Klein, Shertest's general manager. With the kit comes a number to call for a list of nearby drug-treatment centers. ■



JOHN GIORDANO—SABA

A mother checks for marijuana

POPULATION

Here Comes California

With the nation's big cities ridden by crime, smog and traffic snarls, Americans must be fleeing to the serenity of the countryside, right? Wrong. Preliminary statistics from the 1990 census indicate that over the past decade the back-to-the-land movement of the 1970s was reversed. Rural areas may have lost as many as 1.4 million people, far more than demographers had predicted. By contrast, metropolitan areas along the California and Florida coasts have grown sharply.

The trend has pushed California to a population of 29,279,000, a 23.7% jump that will apparently entitle it to seven new seats when Congress is reapportioned. Florida, which gained 31%, to 12,775,000, will get four extra seats. In all, 19 House seats will shift from state to state, with New York, which held virtually steady at 17,627,000, suffering the largest loss: three seats. As the numbers are refined for final release in December, they are expected to show that the U.S. has grown to a population of nearly 250 million. ■

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NORTHWEST AIRLINES

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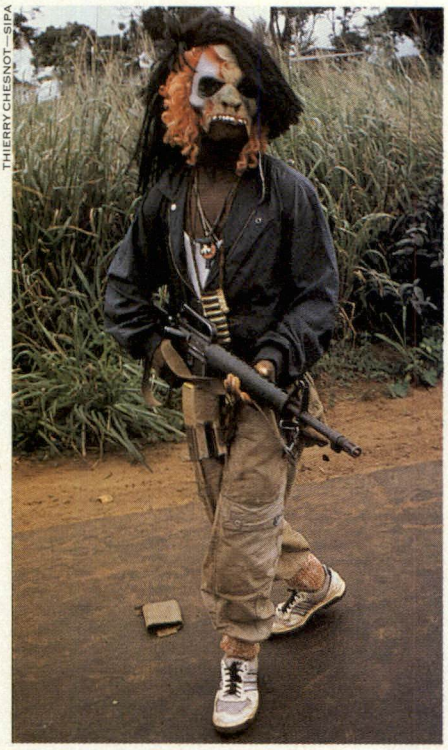

THIERRY CHESNOT—SIPA

A Taylor rebel in disguise, on patrol

CHESNOT—SIPA

Refugees sought any shelter from the war

Thousands of civilians have already perished.

● LIBERIA

In the Heart of Darkness

West African troops find there is no peace to keep where tribal carnage masquerades as war

By MARGUERITE MICHAELS MONROVIA

The civil war in Liberia is about hatred: personal hatred based on political rivalry, brutally used to turn tribe against tribe. Charles Taylor, head of the rebel National Patriotic Liberation Front, and President Samuel Doe, the harsh ruler of the country's 2.5 million people for the past decade, loathe each other. Says Taylor: "The only good Doe is a dead Doe." In the past eight months Taylor's 10,000-member army has overrun most of the country, leaving only small pieces of Monrovia, the capital, in Doe's control and setting the Gio tribe, which supports Taylor, against one of Liberia's smallest but most powerful tribes, Doe's people, the Krahn.

Few soldiers or rebels have died in battle, but thousands of civilians have perished. Two weeks ago, two bodies lay by the side of the road leading to a Monrovia airport, hands tied behind their backs. A third man, denying he was a Krahn, pleaded with the rebels for his life—but to no avail. Creating yet more violence, Prince Yormie Johnson, a Gio, split away from Taylor last February. By the summer, Johnson and his few hundred men had swept into the center of the capital, taking on both Doe's and Taylor's forces.

Last week, in an effort to halt the tribal carnage, 3,000 troops of a five-nation West African peacekeeping force began to fan out in besieged Monrovia (pop. 500,000). Doe and Johnson welcomed the troops, but Taylor, challenging their legitimacy, vowed to kill them all. If the fighting cannot be stopped, the attempted overthrow of Doe could threaten the stability of the whole West Africa region. Already, the intervention has ignited bitter controversy among Liberia's neighbors.

Taylor is unimpressed by outside efforts to calm the civil strife. "I am not going to roll over and play dead," he told TIME. "This is an attempt to rescue Doe. A peacekeeping force means all sides agree. We have not agreed. If we're attacked, the price will be expensive. The world is going to remember."

Most of the world has paid little attention to the war, and Liberia's neighbors are only belatedly showing concern. When the Economic Community of West African States, a 16-nation body formed 15 years ago to promote regional cooperation, held an emergency summit in early August, only seven members bothered to attend. Determined to solve their problems without the help of uninterested superpowers, they hastily decided that ECOWAS should go into the peacekeeping business. To achieve a cease-fire in Liberia and supervise free elections, they created a West African force, the Economic Community Monitoring Group. Yet when the time came to pass out white ECOMOG helmets, only five countries sent troops: Nigeria, Ghana, Guinea, Sierra Leone and Gambia.

Taylor does not trust any of them. "Peacekeeping?" he scoffs. "We've arrested Guinean soldiers here in Liberia. How can they come to keep the peace? We've captured Nigerian weapons from Doe's soldiers. How can you bring a jaguar into the house and say he has come to make the peace? ECOWAS is going to make this another Vietnam—a war that never ends."

Whether Taylor has actually arrested Guinean soldiers or captured Nigerian weapons, the neutrality of the peacekeeping force is very much compromised by political friendships and tribal affinities. The stated purpose may be to restore order, but Liberia's rival leaders suspect that some peacekeepers are actively supporting the other side. Nigerian President Ibrahim Babangida has been a longtime ally of Doe's and has reportedly offered him asylum. Guinea and Sierra Leone are home to a large number of Mandingo, a tribe that has supported Doe and his Krahns.

The Ivory Coast, a supporter of Taylor's and one of West Africa's dominant economies, did not bother to attend last month's

KARIM DAHER—GAMMA LIAISON

Charles Taylor, the self-proclaimed new "President," vetoes any cease-fire

summit. When the peacekeeping forces were deployed last week without having first achieved a cease-fire, Togo refused to participate. President Blaise Compaoré of Burkina Faso promised to aid Taylor with his own troops if asked. Even the U.S. withdrew its original approval of ECOMOG, saying that without a cease-fire, there was no peace for any international force to keep.

Taylor dismisses all criticism of his refusal to accept a cease-fire. "Why negotiate?" he says. "Is there any group that has taken nine-tenths of a country and then negotiated? Who's providing food to the people? Who's providing water? Who has put drugs in the hospitals? Haven't you seen my soldiers everywhere? We surround Monrovia. We are the government. Doe is the rebel."

Taylor is called the President by more than just his followers and has named a cabinet of ministers. He travels in a presidential-style convoy, riding in a bulletproof taupe-colored Mercedes with the red flag of his army fluttering on the left fender and the Liberian flag on the right. A white police motorcycle stolen from Doe leads the motorcade, while two or three cars stuffed with armed men trail Taylor's car. Bringing up the rear is an antiaircraft gun balanced on the back of a pickup truck.

The "President" receives visitors in his "executive mansion"—the Coca-Cola bottling plant in Paynesville, a suburb east of Monrovia—wearing a bulletproof vest, surrounded by gun-toting bodyguards garbed in strange, looted clothing. Groups of soldiers await his bidding nearby in the garage; they are mostly children in dirty T shirts and ragged shorts, a rifle in one hand, a bottle of Sprite in the other.

The war has taken a heavy toll. In Nimba County the villages were never heavily populated. Now they are deserted: some people have joined Taylor, some are dead, most have fled in fear. The county produces 25% of Liberia's rice, and a few paddies along the road still flourish, but there is no one to harvest the crop. The iron-ore mines at Yekepa once earned 70% of Liberia's foreign currency, but work has been suspended since late January. Whatever glory the war once held here has dimmed. At checkpoints the youthful soldiers who jauntily display human skulls with sunglasses perched over the empty eye sockets are themselves dull-eyed with hunger. Before they let a car pass through, they ask for bread.

Taylor's so-called capital is Kakata, about 35 miles northeast of Monrovia. He has distributed thousands of bags of stolen Pakistani rice there, and the rebels say volunteer doctors from the relief agency Medecins sans Frontieres are working in the hospital.

But Kakata is without almost everything else. At night, lights burn in just three houses, powered by privately owned generators. There is no water. The streets were once lively with Mandingo shops; now much of Kakata is burned and looted. Any Mandingo who did not manage to escape was "killed like a chicken," boasts a rebel. Every morning hundreds of people gather alongside the road, waiting for the occasional bus or truck to take them east to safety. If they are lucky, they will join 300,000 other refugees who have fled this war. "Doe started the killing 10 years ago," says an old man waiting with his family. "Who will stop it now?"

Few think that ECOMOG can. While President Dawda Jawara of Gambia played host at a meeting in the capital of Banjul to choose an interim President for Liberia, men with guns were very much in control. Taylor forcibly moved nearly 2,000 Nigerians and Guineans, mostly civilians seeking refuge in their embassy compounds in Monrovia, south to the port city of Buchanan, out of the reach of rescue. With Taylor's rebels shooting at Nigerian soldiers and Burkina Faso sending in troops to support Taylor, escalation of the war has already begun.

"Want a short-term worst-case scenario?" asked a Western diplomat in the Ivory Coast. "Everyone divides into constituent parts: Doe, Taylor and ECOMOG. Want a long-term worst-case scenario? Doe goes back to his Krahn in Grand Gedeh County. Taylor goes back to where he started in Nimba. And it's Doe against Taylor." All over again. ■

THIERRY CHESNOT—SIPA

A shackled Krahn tribesman, held prisoner by rebels in Monrovia

Political rivalry setting tribe against tribe fuels the eight-month-old civil war.

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THE GERMANYS

The Honeymoon Is Over

Amid fears of economic chaos, the East embraces unity—but not without qualms

Like two lovers confronted by the practical realities of marriage, East and West Germany are having a bout of prenuptial nerves. Though the two countries will not formally tie the knot until Oct. 3—the earliest practicable date—the euphoria of unification has given way to a summer of unemployment, rising prices and political disillusionment. Both sides remain firmly committed to the merger, but East Germans have begun to fret over the economic disintegration of their country and West Germans worry about the price of preventing it.

The growing discontent in the East was manifest last week when more than 45,000 municipal workers in East Berlin, Magdeburg, Chemnitz and other cities staged two-hour "warning strikes" to support calls for higher pay, job security and preferential tax treatment in a united Germany. For the second time in two weeks, public transportation was crippled and garbage trucks blocked the entrances of department stores, as bus drivers joined sanitation workers, nurses and secretaries for rallies in at least 10 cities. The demonstrators complain that their salaries, which average about half those in the West, are not enough to cover the higher prices being charged for food and other basic items since July 1, when the West German mark became the official currency of both Germanys.

The striking workers are demanding preferential personal-tax treatment until their economy rises to Western levels. West German income taxes average about 33%, in contrast to about 5% in the East. East Germans are also angry that a flood of West German investment, which Chancellor Helmut Kohl promised during last spring's election campaign, has failed to materialize. The lack of capital, plus competition from Western products, is wiping out East German companies and farms. Unemployment reached 350,000 in August and continues to rise at a rate of 25,000 a week. The International Policy and Science Institute in East Berlin predicts that 2 million of East Germany's 8 million workers will be out of a job by the end of the year.

Some European analysts have suggested that West German investors are waiting for the East German industrial base to collapse so that they can make a fresh start, rather than prop up inefficient or outmoded businesses. East German leaders, for their part, have pointed out that however rough the transition may be, their country's economic prospects remain brighter than those of Central European nations like Poland and Czechoslovakia. "If we show courage and behave responsibly, we will be out of the woods soon," Prime Minister Lothar de Maizière said in Halle last week.

But not all East Germans are convinced. Kohl's campaign speech to the same Halle audience was interrupted by shouts of "liar" and a hail of tomatoes and eggs hurled by a group of leftist protesters. Security guards used umbrellas to deflect the missiles, and Kohl did his best to turn the incident to his advantage. "If you want to see the result of 40 years of communist rule," he said, "just look at these hooligans with blind rage in their faces. A vote for the Communists is a vote for violence and state terror."

Despite a fundamentally strong economy, some West Germans are becoming disgruntled as well at the rising costs of unification. Bonn's budget deficit this year is expected to reach $42 billion, vs. $11.3 billion last year. The cash drain reflects the assumption of responsibility for East German pensions, unemployment benefits and public utility subsidies and for the debt of state-owned enterprises. Within the past six weeks, stock prices have fallen 15%, partly because of the Persian Gulf crisis but mainly because of the anticipated pressures of unification. Inflation is projected to surpass 3% by the end of this year, uncomfortably high by German standards. "Nowhere between the north coast and the Alps in the south is anybody counting the days in joyous anticipation of unity," said Manfred Volkmar, a columnist for Berlin's *Volksblatt*. "The few weeks left are turning into a nightmare."

Some potentially divisive issues were ironed out last week when the two Germanys codified their coming unification with a 1,000-page state treaty signed in East Berlin's Palais Unter den Linden, the former residence of Prussia's crown princes. The treaty reconciled many of the disparities in law between the two governments but left for later a number of others, including abortion, which is sharply restricted in the West but still available on demand in the East. The two Germanys will keep their respective abortion regulations until a united German government can draw up a new law.

Meanwhile, the majority of Germans seem to agree that the final result of the transition is worth the trouble. In the end, the discomforts of unification are a minor price to pay for bringing an end to 45 years of division, hate and ideological confrontation. —**By Guy D. Garcia.**

Reported by James O. Jackson/Bonn

SVEN SIMON

De Maizière and Kohl presenting a united front

RAINER UNKEL—ACTION PRESS

Angry East German demonstrators manifest their growing discontent

The euphoria of unification has given way to a summer of unemployment, rising prices and political disillusionment.

CANADA

The Army Breaks the Barriers

After another Mohawk skirmish, the troops move in

In the garbled dialogue between conflicting cultures, mutual trust is essential—and it has been sorely lacking in the seven-week impasse between Mohawk Indians and Canadian authorities. Late last week, just as a possible resolution of the standoff appeared to be in sight, another factional skirmish broke out behind the barricades of the Mohawk community of Kanesatake, near Oka, 18 miles west of Montreal. The incident was relatively minor: two Mohawk men were severely beaten with baseball bats by a group of members of the militant Mohawk Warriors Society. But it was enough to break the impasse. In response, Canadian troops, backed by armored vehicles and helicopters, swept into the Mohawk reserve to restore order. The action was taken, declared General Armand Roy, commander of the Canadian Forces' 5th Brigade, "to guarantee the security of civilians and of my soldiers."

Scarcely a day earlier, Warriors from another Mohawk community, the Kahnawake reserve, had agreed to put down their rifles and had actually begun to help Canadian soldiers tear down the barricades the Indians had erected to block the Mercier Bridge into Montreal. That was the best news in weeks, and a sign that the crisis might be easing. But that was before the army's action at Kanesatake.

The on-again-off-again stalemate began in early July when Quebec police raided a four-month-old blockade the Indians had erected at Kanesatake. The Mohawks were protesting a proposed expansion of a local golf course into what they regard as ancestral land. In the ensuing gunfight, a police officer was killed. The same day, on the other side of the St. Lawrence River, the Kahnawake Mohawks showed their solidarity with the Kanesatakes by blockading the Mercier Bridge.

As the crisis dragged on, skirmishes erupted sporadically between Indians and police. Two weeks ago, Quebec Premier Robert Bourassa replaced the police with army troops. After that, all but a few hundred of Kanesatake's 1,500 residents left the reserve for safer ground.

Meanwhile, representatives from the two sides searched for a compromise. A key issue was the government's insistence that the Warriors' illegal weapons be destroyed in the presence of the army, which the Indians refused to do. Negotiators also clashed over whether the Mohawks should be granted immunity from prosecution, which the Indians insisted should not be described as an amnesty. "We call this a peace treaty because it is done nation to nation," said Chief Joe Norton. "No nation gives another nation an amnesty."

SHANEY KOMULAINEN—SIPA

Indian Warriors driving a camouflaged golf cart in Oka

Canadian Prime Minister Brian Mulroney flatly dismissed the Mohawks' claims to sovereignty as "unrealistic" and "bizarre." The federal government said it was prepared to negotiate agreements that would give the Indians greater control over their affairs, but balked at attempts to make the Mohawks exempt from Canadian law.

Hoping to avoid further bloodshed, the government purchased, on behalf of the Mohawks, the parcel of land that has been at the center of the dispute. Last week the authorities further emphasized that they were ready to negotiate with the Kanesatake group over its grievances as soon as the last barriers had come down. But before any such negotiations could begin, the fighting broke out again and the army moved in. —***By Guy D. Garcia***

SOUTH AFRICA

Policing the Police

Mischief-making in the ranks undercuts De Klerk's reforms

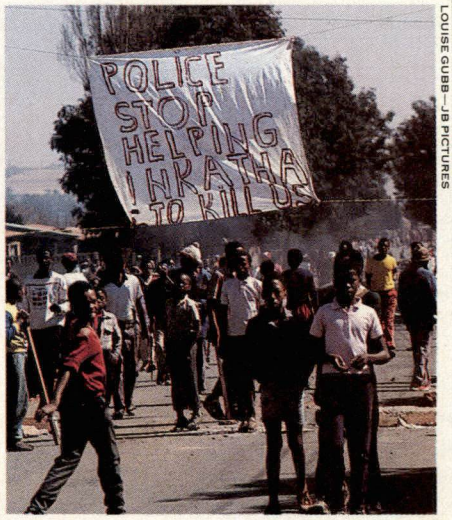
A commission appointed by President F.W. de Klerk leveled a stinging indictment last week: 30 police officers had acted illegally when they fired into a crowd of black protesters last March, killing five people and wounding 200. The direct cause of the shootings was a lack of discipline and control over the ranks, said the report, and the commission recommended that the officers be prosecuted. In another memorandum, prominent church leaders charged that police helped stir up the recent black rampages in the townships around Johannesburg that left more than 500 people dead.

Despite De Klerk's pledge to build a "new South Africa," at least some elements of his police force continue to behave as they did in the bad old days. Whether they are acting on their own or under orders, De Klerk faces a difficult challenge: to restrain the police or risk derailment of the country's delicate political transformation by the security forces.

De Klerk maintains publicly that the police force is basically sound. But he indicated that he would consider proposals by religious leaders to appoint monitors to observe police behavior, and eventually create a new force to deal with unrest.

Some human-rights activists think recent police actions point to a power struggle within the government pitting reformers like De Klerk against right-wing securocrats. The activists do not believe De Klerk is directing police troublemaking, since the violence undercuts his reform efforts. Besides, the security forces are filled with supporters of the right-wing Conservative Party, which is intent on scuttling De Klerk's dealings with the blacks.

De Klerk may find it impossible to undertake a major clampdown on his security forces soon. If he did so while the threat of black violence remained, he would weaken police morale and send more wary whites into the right-wing camp. But how De Klerk ultimately handles the matter will help determine how peacefully—or violently—political change will occur. ■



LOUISE GUBB—JB PICTURES

Protesting against the violence in Kagiso

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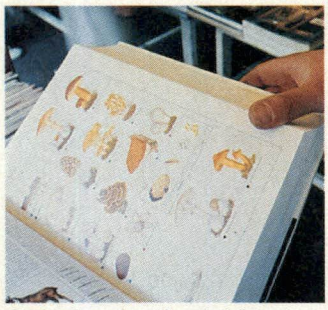
FRANCE

A Grand Goof For Larousse

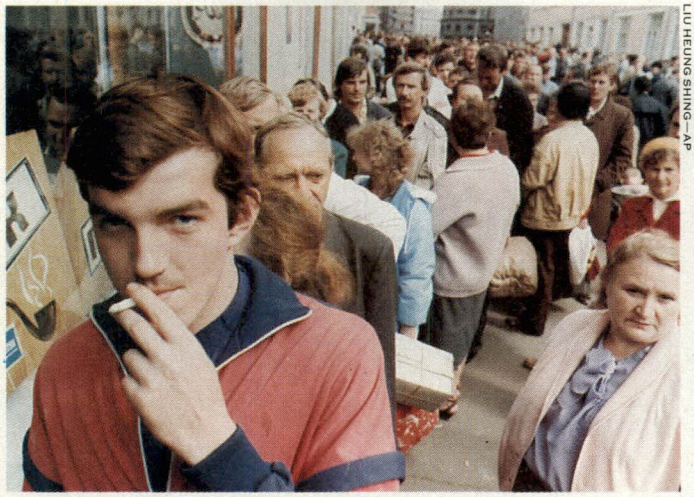
The venerable publishing house's logo portrays a young woman blowing softly through a dandelion, sowing knowledge. What an upset, then, for Larousse to discover spores of deadly misinformation in the latest edition of its dictionary. A color illustration on page 203 of the 1991 *Petit Larousse en Couleurs* incorrectly identifies three highly poisonous wild mushrooms as being harmless.

Reacting promptly to correct the mistake, the worst in its history, Larousse suspended all sales of the 1,700-page, $75 dictionary, which sells more than a million copies a year, and recalled the 180,000 volumes already distributed so corrected *champignon* stickers can be placed over the erroneous captions. Cost: $5.5 million. ■



AFP

Spawning a costly mistake



LIU HEUNG SHING—AP

No more Nikitin: disgruntled smokers queue up

SOVIET UNION

Another Burning Issue

Tempers are smoldering across the Soviet Union as irate smokers vent their rage over the country's summer-long tobacco shortage. "No tobacco—no work!" shouted angry factory workers in Kuibyshev who would rather strike than switch. In the Urals town of Perm, nicotine-starved crowds blocked the main street, and "tobacco riots" have hit other cities.

Soviet officials blame factory breakdowns, hoarding by black marketeers and reduced imports from Bulgaria for the cigarette shortage. The protests are regarded as a real threat to *perestroika*. Moscow's city council announced last week that it would immediately begin rationing cigarettes, limiting consumption to five packs a month. President Gorbachev fired Vladilen Nikitin, his appropriately named head of state procurement, after finding his explanation for the shortage "unconvincing and unsound." Soviet smokers seem to agree. "It was bad enough when they took our vodka away," grumbled a man in a tobacco line. "There was eau de cologne or home brew to replace it. But what do you smoke instead of tobacco?" Suggested a young man next to him: "Try some grass, dad." ■

CAMBODIA

Breaking New Ground

In the latest example of the United Nations' new potency as a force for peace, the five permanent members of the Security Council unanimously agreed last week on the boldest plan yet proposed to end 11 years of fighting in Cambodia. With U.S., Soviet and Chinese backing, the initiative calls for the U.N. to dispatch a military force of 10,000 and another 10,000 civilians to oversee free elections in the strife-torn nation. The U.N. would also supervise creation of a supreme national council to serve as an interim administration. It would comprise representatives of the two noncommunist resistance groups, the communist Khmer Rouge and the Vietnamese-backed government of Prime Minister Hun Sen, all of which say they endorse the plan.

If the four factions succeed in drawing up plans for the supreme council when they meet this month in Jakarta, the U.N. plan would be put before the General Assembly for a vote. The agreement, which signals an end of superpower sponsorship of the warring groups, could be the most compelling argument. ■

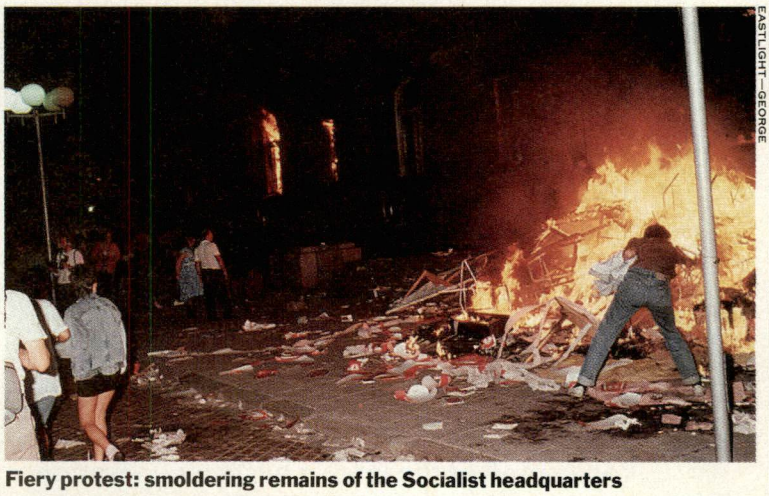
EASTERN EUROPE

Short Supplies, Short Tempers

Political reform does not necessarily put food on the table, as Bulgarians and Romanians are learning. In Sofia last week, several hundred rioters stormed, ransacked and torched the headquarters of the ruling Socialist Party, the former Communists. That triggered a protest by thousands of police, who demanded the resignation of incompetent commanders and a more independent force.

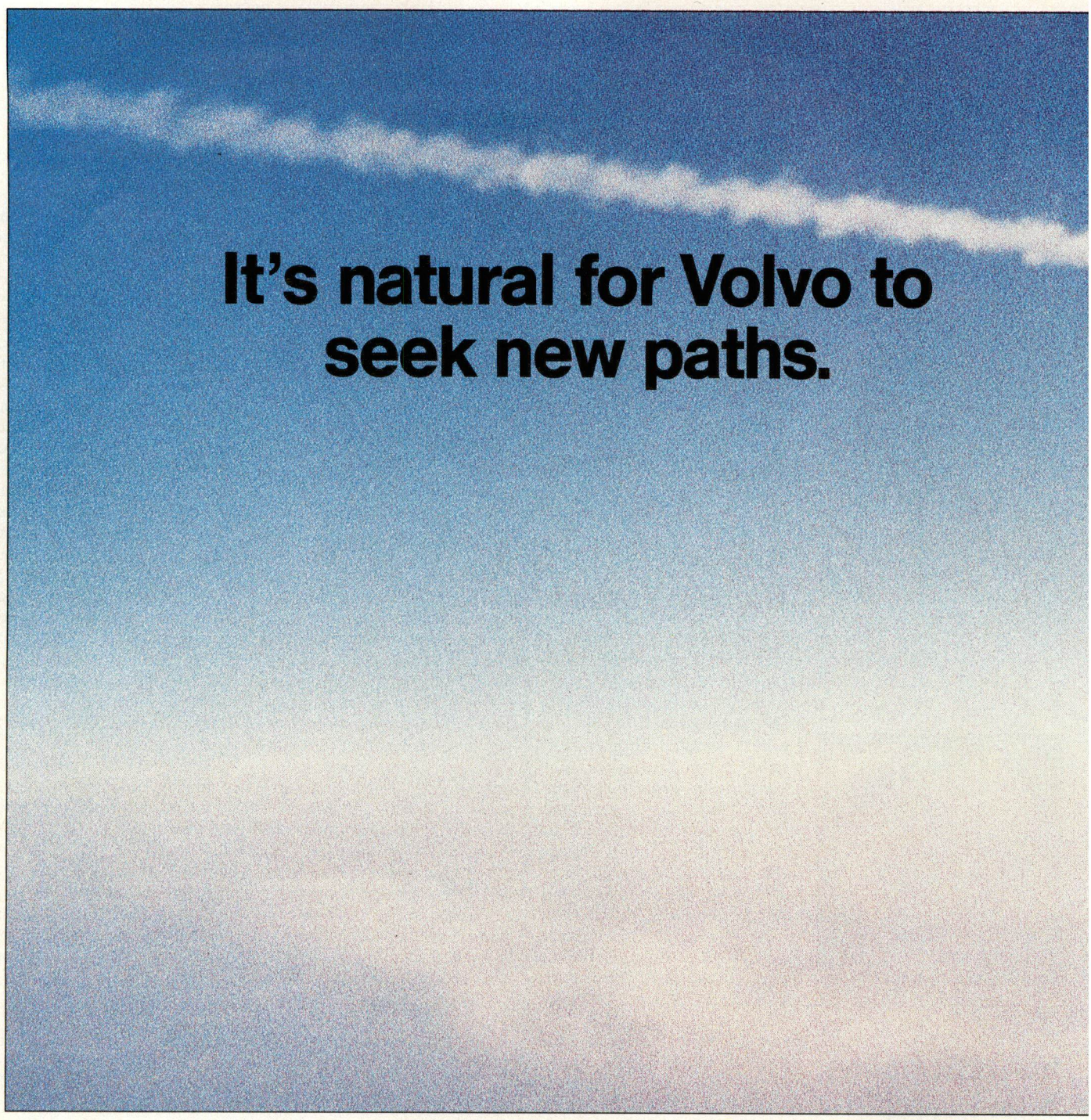
The anti-Communist rioters' anger was sparked in part by the government's failure to remove the hated Communist red star from the roof of the party building, but the flames were stoked by the government's inability to cope with a depressed economy and the prospects of winter shortages. Admitted Socialist leader Alexander Lilov: "Radical reforms should have absolute priority before all other questions."

In Romania demonstrations erupted against food and fuel shortages, amid calls for the resignation of President Ion Iliescu. In an apparent effort to deflect attention from its troubles, the government endorsed ceremonies marking the 50th anniversary of the forced cession of parts of Transylvania to Hungary in 1940. The maneuver may have worked in the short term, but at the price of increasing tensions between the region's 6 million Romanians and 2.3 million ethnic Hungarians. ■



EASTLIGHT—GEORGE

Fiery protest: smoldering remains of the Socialist headquarters



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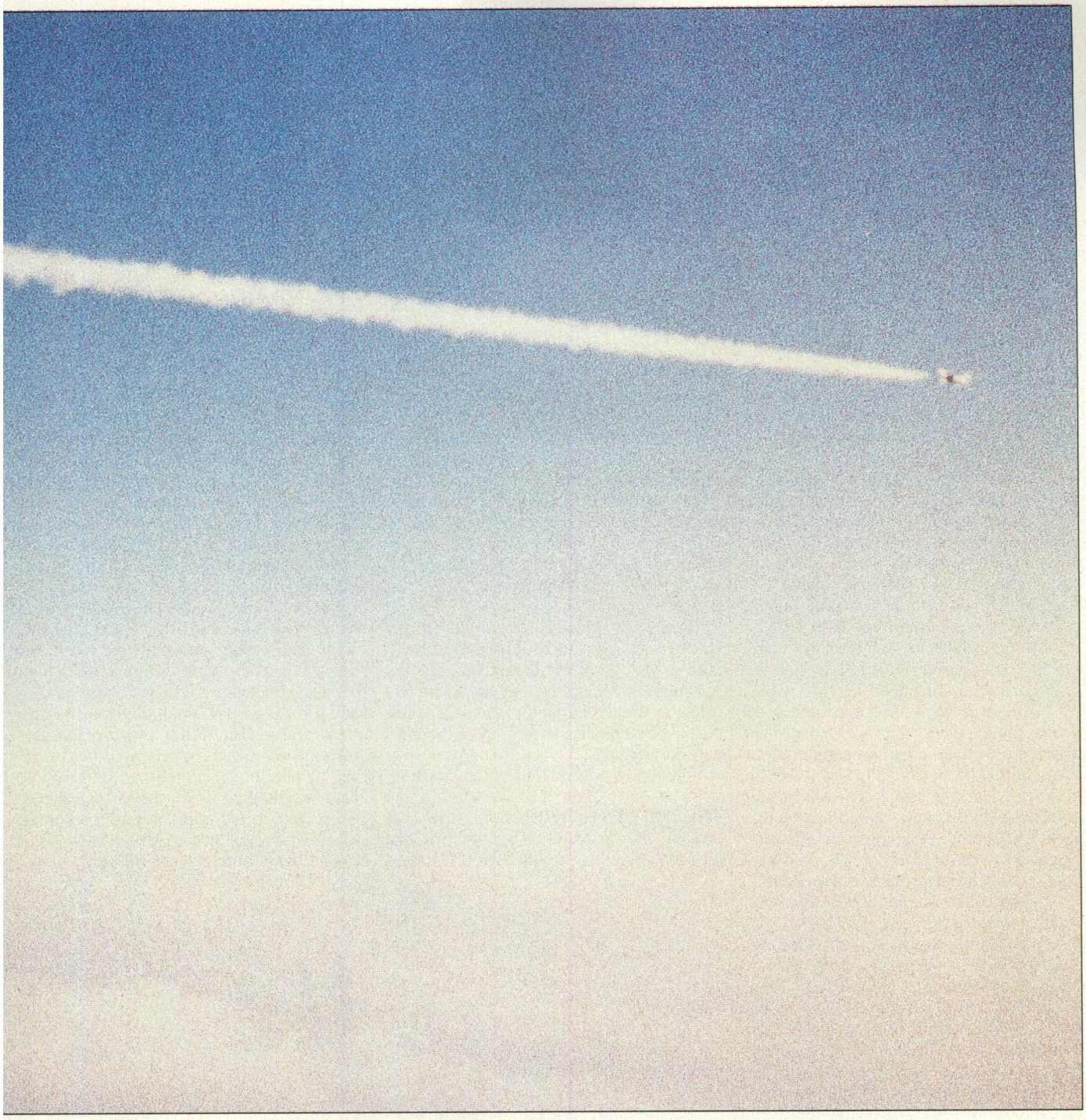
A major step forward was our involvement in the European Ariane space project. Since the early 1970s, Volvo has supplied the combustion chamber and nozzle for the powerful engines of the Euro rocket. Now we're deeply involved in the latest generation of Ariane rockets which are fuelled by liquid hydrogen and oxygen.

Our task at Volvo has been to supply an exit nozzle capable of being chilled to -240° C to withstand a flame of 3500° C, and the supersonic turbines powering the engines' fuel pumps. Some 240 mm in diameter, the



turbines rotate at a speed of 34,000 rpm and develop 11,000 kW!

The next step into space will be a space plane. West Germany and France are currently waging a hi-tech struggle, with competing programs aimed at developing a true space plane. The odds are excellent that Volvo will be playing its role in helping the first space plane take off shortly after the year 2010.

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VOLVO

Into the Minefield

Pondering the pitfalls facing investors in a period of economic turmoil, TIME's *Money Angles columnist offers guidelines for financial survival*

By ANDREW TOBIAS

"What should I do?" my friend Randy called to ask last week.

"About what?" I asked Randy, who is not someone with a lot of money—well, not someone with *any* money, really—and who, though highly talented in other ways, has absolutely no understanding of the financial markets. I once lent him some money—to eat, as I understood it—and found out later that he used it to buy options on a stock someone had told him about. Needless to say, the options expired worthless.

"Well, you know. What should I do about my *money*?" He was concerned about the Middle East, concerned about the small stake he'd finally been able to build at a savings and loan—was it still safe? yes—and, as best I could tell, he was mainly concerned that there were some easy ways to profit from the gyrating markets and that he was missing out on them.

Truth to tell, I was concerned about exactly the same thing.

"What should you do about your money? Nothing! You don't *have* any money. Just keep it in the bank, safe."

But, oh, could you have made money last month! The first thing to have done was to sell stocks short—any stocks—and buy puts, little bets that stocks will go down. (Selling short means selling shares you don't own—by borrowing them—in hopes they'll be cheaper when you buy them back.)

You could have made a huge return shorting the stodgy Dow Jones average, which fell from 3000 to 2500 between July 17 and Aug. 23. But that was the least of it. Most stocks dropped much more than that. Boeing was down from 60¼ to 42½. Disney was down from 131¼ to 95⅛. Golden Nugget, from 37¾ to 20¼.

In July you could have bought IBM October 100 puts for $25 each and sold them for $560 when the Middle East tension was at its height a month later. Twenty times your money in a month!

The Thai Fund, which invests in Thailand—a country not even remotely within striking distance of Iraq—dropped from 24⅜ to 14½ in three weeks. Days later, when it appeared that Iraq would not defeat the entire world after all, it had bounced to 19⅜. Imagine the profits you'd have made shorting it at 24 and then buying it at 14.

Fear and greed are abroad in the land—as usual—but in an agitated state. And so we ask: What should we do about our money? Should we buy stocks or real estate at today's bargain prices? Or is this our last best chance to get out of the markets altogether?

There are (always) three scenarios.

THE END OF THE WORLD. Oil prices run up even after Saddam is Trumped (for, like the Donald, he has clearly outreached himself). The U.S. economy slides into the deepest recession since the *D* word, the budget deficit balloons to half a trillion—but raising taxes in a weak economy would just make everything worse—the financial order collapses here, in Japan (where the banks are even shakier) and thus everywhere else. Confidence is destroyed. Money is printed to try to get things going again but serves only to unleash hyperinflation; wars break out over resources. The only people left with a smile on their face are you and I, because we shorted stocks and bought puts and gold. Well, and maybe certain nimble commodities traders; the people of Papua New Guinea, who don't care too much about all this and who sit atop substantial oil reserves of their own; and Ravi Batra, author of that awful book *The Great Depression of 1990,* who will be able to say he told us so. (His one haunting thought: that economies collapse when the concentration of wealth becomes too great—when the rich get too much richer and the poor, too much poorer.)

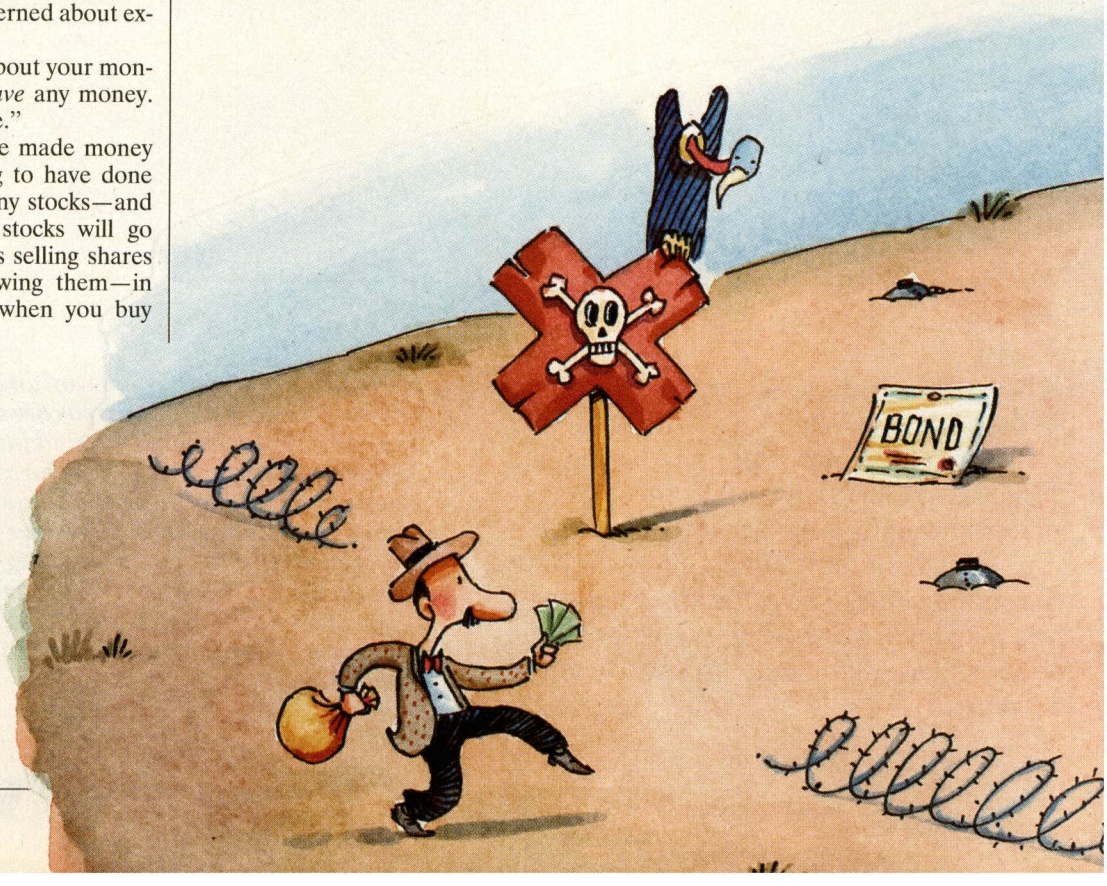


Illustration for TIME by Patrick McDonnell

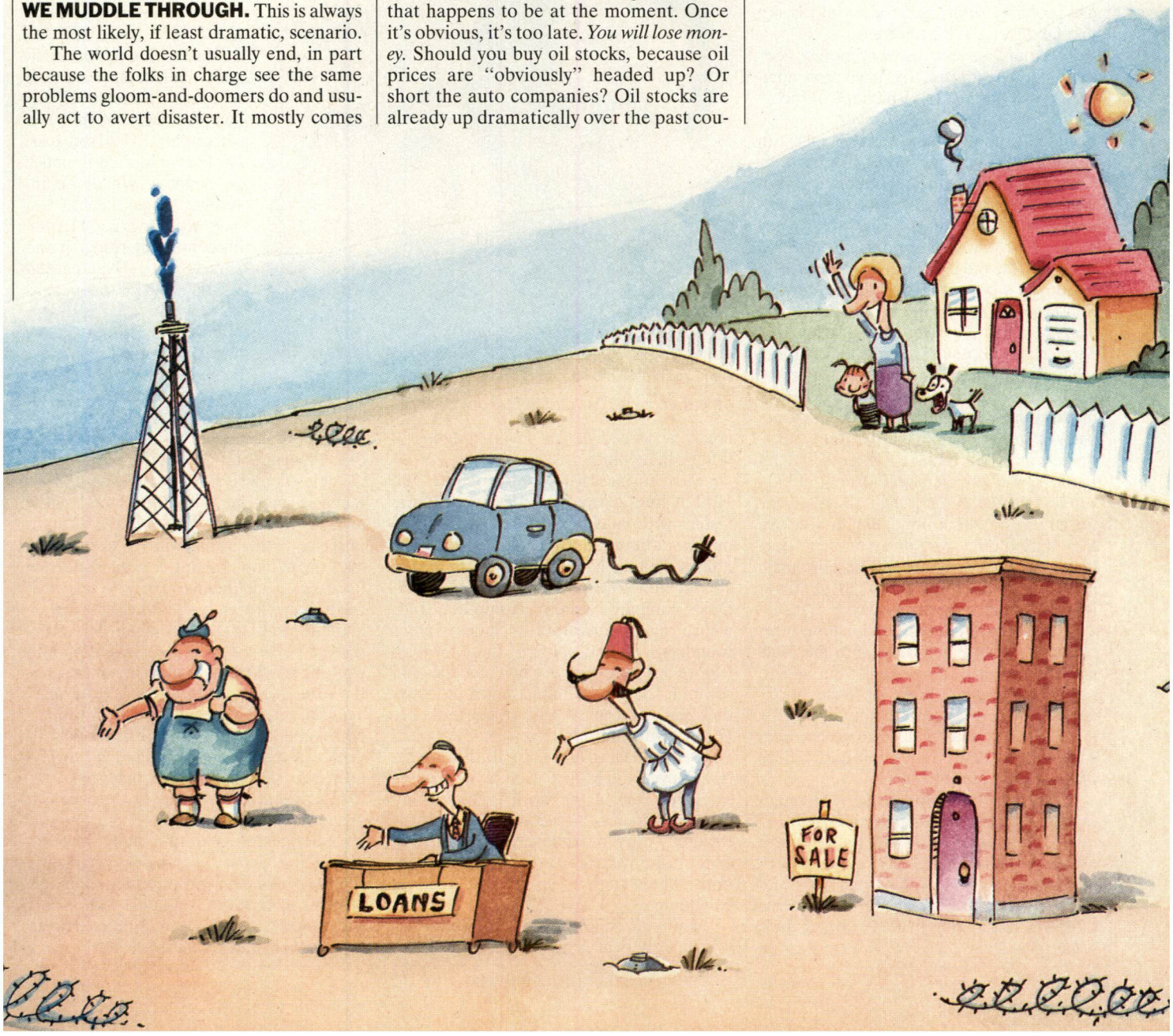
A GREAT NEW BEGINNING. The end? Oh, please. There's plenty of oil in the world, with or without Iraq, and gasoline prices in the U.S., adjusted for inflation, are dirt cheap. Sure, prices will gradually rise (if only because we will finally have the good sense to raise the gasoline tax), but so will fuel efficiency. More immediately, the resolution of this crisis will actually have served to bring the world closer together, reasserted America's ability to succeed and demonstrated the competence of the Bush Administration. It will have shown that the two superpowers (if you still count the Soviets) can work together. And it will have left the Saudis and Kuwaitis owing us some big favors, even as, one hopes, they are spurred by all this toward greater democracy. The promise of world peace, greater stability, lower defense budgets and the incredible magic of technology will all work to make the world a far better place. You and I, who bought stocks and real estate this week at bargain prices, will look very smart.

WE MUDDLE THROUGH. This is always the most likely, if least dramatic, scenario.

The world doesn't usually end, in part because the folks in charge see the same problems gloom-and-doomers do and usually act to avert disaster. It mostly comes down to confidence. If that comes unglued, as it could, everything collapses. If not, we'll gradually work our way out of most of our problems, with some pain along the way but not enough to kill the patient. The sun will come up tomorrow, which will not be too different from today.

Here's what to do with your money.

- ▶ Don't panic. Unless you're a professional investor or trader, if you make an investment decision in a hurry, it's generally one you'll regret. When you're really scared is the time to buy, not sell—but few of us have the nerve or can afford to take the risk.
- ▶ Don't speculate. The markets are likely to remain volatile, tempting casinos. But you have two huge strikes against you if you play. First, you're an amateur matching your wits against pros. But even if you're just as savvy as the full-time trader with his big computer and instant access to the market, the commissions and spreads you have to pay to play will kill you.
- ▶ Don't do the obvious thing, whatever that happens to be at the moment. Once it's obvious, it's too late. *You will lose money.* Should you buy oil stocks, because oil prices are "obviously" headed up? Or short the auto companies? Oil stocks are already up dramatically over the past couple of years (and auto stocks are down), and you and I are not the first ones to think of these things. Better to do something less obvious, like buying an apartment in New York City. The only reason I can think of to do it, at some fire-sale price, is that no one right now has the nerve to buy an apartment in New York—it's so obviously a risky thing to do. This may not be reason enough, but it's a reason. Likewise condos in Dallas—or wherever else the huge inventory of government-foreclosed properties blots out all hope of price recovery.
- ▶ Invest in personal energy conservation: an auto tune-up, home insulation and, when you need new ones, the most efficient appliances and vehicles.
- ▶ Pay off your high-interest loans. Debt is not a great thing to have in uncertain times, and high-interest debt is not a good thing to have any time.
- ▶ If you want to hedge against disaster, buy puts on stocks you think have further to



drop, or on market indexes as a whole (your broker will be falling all over himself to explain this to you). Don't short stocks. Unless you're a very seasoned investor, it's just too risky (and it means you have to pay dividends, on top of commissions, not earn them). Buy puts only on days when the crisis seems to be over and the market has boomed—and assume that whatever you *do* spend on puts is money you'll never see again. Because you probably won't. This is insurance, not a way to get rich.

▶ If you already are rich, keep your eye on general-obligation municipal bonds (GOs). They're tax-free and, being "general obligations" of a state, city or county, they are highly unlikely to default. It may be too early to buy them—the level of interest rates may rise, and the financial woes of cities and states are not yet banner headlines—but if the top federal income tax bracket is raised, they will become more valuable. Just remember that the high cost of trading municipal bonds means they should be bought and *held.*

▶ Think twice about buying annuities. GOs are probably safer, and their yield is not just tax deferred, it's tax free.

▶ If you have some throwaway money, consider stocks in utilities that have suspended their dividends and show no hope of recovery. They almost always recover.

▶ Some of the mutual funds that invest in stocks of a particular country, like the New Germany Fund, which immediately shot up to a 70% premium over its intrinsic value when it was launched last year, may make sense now that euphoria has turned to euphearia and premiums have turned to discounts. I bought a little of the Turkish Fund, traded on the New York Stock Exchange, when Saddam Hussein invaded Kuwait, not because I know the first thing about Turkey but because it was trading at a 35% discount and I thought Turkey might somehow benefit from its newly recognized importance in world affairs.

▶ Some junk bonds may . . . wait! What am I doing?! This is exactly the sort of thinking you should *not* get sucked into. It's crazy for you to buy junk bonds or the Turkish Fund based on a story in TIME, or to start moving your money around based on the latest recommendations on *Wall Street Week.* Each move costs money!

Instead, you should have a long-term plan and stick to it, shifting your assets as little as possible. Those lucky enough to have a substantial hunk of truly don't-need-it-for-decades dough should entrust much of it to a small handful of no-load (no sales commission) mutual funds, where professionals can manage it.

We could be in for some very rough years, so this may prove, with hindsight, to be a terrible time to own any stocks or real estate. I do know that you make money buying when the world seems risky and lose money buying when the world seems safe, so I'm hanging in there. But I have some puts. ■

Who Invented Microprocessors?

The government says Gilbert Hyatt did—and jolts an industry

The U.S. Patent and Trademark Office registration number is tough to remember—4,942,516—and the holder of the patent, a Los Angeles inventor named Gilbert Hyatt, is a virtual unknown. But Hyatt, 52, has suddenly carved a memorable niche for himself in the multibillion-dollar semiconductor industry. Last week, after a 20-year battle with the patent office, the tenacious engineer announced that he had finally received a certificate of intellectual ownership for a single-chip microprocessor that he says he invented in 1968. The announcement sent shock waves throughout the computer industry, which could be forced to pay Hyatt millions of dollars in royalties.

RIHA—GAMMA LIAISON

A microchip on his shoulder? Inventor Hyatt.

"I had setbacks, but I never had any doubts."

Most business texts credit engineer Ted Hoff at Intel Corp., based in Santa Clara, Calif., with having fathered the microprocessor between 1969 and 1971. But Hyatt asserts that he put together the requisite technology a year earlier at his short-lived company, Micro Computer Inc., whose major investors included Intel's founders, Robert Noyce and Gordon Moore. Micro Computer invented a digital computer that controlled machine tools, then fell apart in 1971 after a dispute between Hyatt and his venture-capital partners over sharing his rights to that invention. Noyce and Moore went on to develop Intel into one of the world's largest chip manufacturers. "This will set history straight," proclaimed Hyatt. "And this will encourage inventors to stick to their inventions when they're up against the big companies."

Hoff still believes that his Intel group legitimately beat Hyatt to the punch. Yet some patent lawyers say Hyatt's new patent appears to apply to all microprocessor chips and the millions of personal computers and other products (from pocket calculators to videocassette recorders) that depend on them. Industry executives by and large are keeping mum, but if Hyatt's patent is broadly interpreted by courts, it could make him super-rich. According to analysts, a standard nonexclusive licensing fee of 3% of the value of computer products sold would translate into a $210 million payment just for last year.

A perennially broke inventor, Hyatt could certainly use the cash. In 1968 he quit a well-paying job as a Teledyne engineer to try to solve "the chip problem" out of a makeshift laboratory in the living room of his three-bedroom house in Reseda, Calif. He used all his $10,000 savings before he finally figured out a method to mount a series of tiny computer components on a silicon chip. "I had setbacks, but I never had any doubts," he recalls. "When the inventive drive comes, you have to follow it." Despite his continuing research and perseverance, Hyatt earned less than $40,000 last year as an aerospace consultant. "I'm struggling to make my next mortgage payment," he says.

Hyatt says he's not out for great wealth, only recognition and enough royalties to fund future experimentation. That attitude is admirable—and wise. If Hyatt pushes for too much money, he will surely face lengthy and costly litigation from scores of computer companies that will try to overturn his "single chip" patent or at least narrow its scope. In all likelihood, he will face protracted courtroom battles anyway. One argument likely to be used against Hyatt is that he never translated his invention into working products. Another line of attack is the principle in patent law of "prior art." This holds that a patent could be invalidated if someone proves that he previously invented a microprocessor identical to Hyatt's, even though it was not patented.

But Hyatt has managed to survive two decades of objections by patent examiners, who demanded and ultimately received convincing proof of Hyatt's originality. That fact alone may inspire many computer firms to reach out-of-court settlements with him. ***—By Richard Behar.***

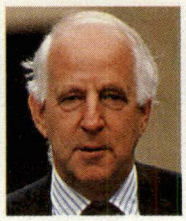
Reported by Patrick E. Cole/Los Angeles

Business Notes

CRIME

No Longer a Stout Fellow

What the press had dubbed the City of London's "trial of the century" ended last week in the conviction of four of Britain's most prominent businessmen. Former Guinness PLC chairman Ernest Saunders was sentenced to five years in prison for masterminding an illegal operation to boost the stock price of the famed $11.6 billion brewing and distilling group and thus helping the company win its successful $5.23 billion takeover battle for Distillers, the Scottish liquor maker. Investigators first became aware of the Guinness scheme, described as one of the biggest financial scandals in British history, when U.S. insider-trader Ivan Boesky disclosed some of the details.



HARVEY—SIPA

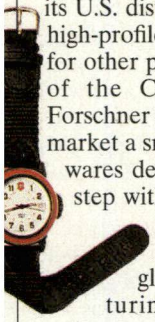
Saunders

For their supporting roles in the affair, Gerald Ronson, the chairman of Heron International, a multinational real estate and service-station empire, was sentenced to a year in jail and a $9.7 million fine, while stockbroker Anthony Parnes drew a 2½-year term. A fourth defendant, financier Sir Jack Lyons, will be sentenced later this month. Unlike Boesky, Saunders will no longer have millions when he emerges from prison: before sentencing, he was forced to apply for the British equivalent of welfare to survive. ■

SPIN-OFFS

But Will They Open Cans?

Known for its quality and versatility, the Swiss Army Knife has long been the favored possession of many an adventurer. But can Swiss Army Sunglasses inspire the same level of affection? Switzerland's Victorinox, manufacturer of the famed blade, has given permission to its U.S. distributors to use the high-profile Swiss Army name for other products. A division of the Connecticut-based Forschner Group is starting to market a small shelf of quality wares designed to march in step with the knife's popularity. So far they include the sunglasses ($115), featuring a "precision-fit torsion system" that prevents the frames from falling off the face, and the Swiss Army Watch ($95). The new products have already generated almost $2.5 million in sales this year. Says Forschner chairman Harry Thompson: "The idea is to endlessly build a base on which the knife can thrive." Not to mention Victorinox. ■



MICHAEL SMITH

G.W. AUSTIN

Time warp: the one-of-a kind Golden Arch Cafe

RESTAURANTS

Remembrance Of Things Fast

McDonald's has a new venue: the diner. After two years of planning, the fast-food giant has opened a one-of-a-kind outlet, the Golden Arch Cafe in Hartsville, Tenn., a small town northeast of Nashville. The 1950s-style restaurant, complete with jukebox, offers such unlikely McFare as lasagna, pork chops and Salisbury steak. The menu includes ordinary hamburgers, but no Big Macs or Chicken McNuggets. While patrons still queue to order their food at a take-away counter, the meal comes on ceramic plates, and is brought to the table by servers sporting bowling shirts.

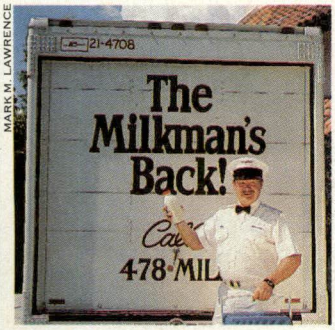
McDonald's says it opened the café to see if a town too small for a regular franchise could support a traditional restaurant. But it has no plans for future golden-oldie branches. The café is not the only experiment the Big M has launched in recent months. The company has also introduced pizza, fried chicken and spaghetti at some of its restaurants to bolster sluggish sales. ■

TOYS

Dolly Dearest

There are baby dolls, soldier dolls, movie-star dolls and, of course, Barbie and Ken dolls. Mommy dolls on the career track are difficult to find. Or used to be: Cindy Stern, a New York City mother of two, watched her children at play and decided to create a doll that would broaden a child's role-playing fantasies. She and doll-dress designer Sue Ogden, a mother of three, created Mommy Doll, now manufactured by Tootsietoy of Chicago. Very contemporary Mommy comes with business suit, briefcase and baby for "Mommy Off to Work" activities, and a leisure outfit and baby carrier for errands. Total price: $25. Stern, 35, believes her brainchild offers kids the full range of female opportunities in the '90s. Says she: "This doll is a reflection of our times." ■

MICHAEL SMITH



MARK M. LAWRENCE

Nostalgia on the doorstep

SERVICES

It's That Man Again

After two decades in the shade of the local 7-Eleven, lo and behold, milkmen are making their rounds again. Customers ranging from affluent suburbanites to working mothers are paying up to $1.99 per half-gallon for milk delivered to their doorsteps. Since the Palm Beach Milk Co. opened in May with 200 customers, it has added 800 people to its routes, and it expects to tack on 500 more this fall. Welsh Farms in Long Valley, N.J., estimates that about 25% of its business now comes from home delivery.

The main reason for the modest upsurge in men in white is the pressure on two-income families with little time for shopping. The traditional reusable glass milk bottles delivered to the doorstep also please environmentally conscious customers. The new breed of milkmen have a lot of doorsteps left to visit: despite their return, says the United Dairy Industry Association, less than 1% of all milk sold in the U.S. is currently home-delivered. ■

What $152 a Week Buys

For those who must live on the minimum wage, life is no American Dream

RALF-FINN HESTOFT—SABA

By NANCY GIBBS

In a Pennsylvania trailer park, a mother of three makes a wish list. She wishes that she lived in a house without wheels. And that she did not have to embarrass her eight-year-old daughter by pulling her out of her brownie troop because the 50¢-a-meeting fee is too high. That food stamps could be used to buy toilet paper and deodorant. That she could get a real, professional $30 perm, one that would not wreck her hair. That her husband could find a union job, maybe in construction, that paid $6, $7, even $8 an hour. That after eight years of marriage, they could take a vacation together. That they could afford more children. "If he had a good-paying job," says Sandy Wells, 26, cheerfully recalling her 10 brothers and sisters, "I'd have five children. I love kids."

Like many other families in similar straits, Sandy and her husband have some things in abundance. They have a network of solicitous relatives and faithful friends. They have a strong marriage, happy kids, low expectations and high hopes. They have plenty of work ethic. What they do not have is enough money to live as they would like. It is these families whose entire household budgets shudder when the price of gasoline rises by a dime a gallon, whose sons and daughters join the Army to pay for their schooling, whose jobs are most vulnerable when the economy crawls toward recession. Savings and security are unaffordable luxuries; so are adequate health care, sufficient heat in the winter, a meal in a restaurant, a night at the movies.

During the past two administrations, Congress and the White House argued about raising the minimum wage for the first time since 1981. Some economists warned that prices would rise; others were worried that jobs would disappear. After months of delay and bargaining, last fall both sides settled on a two-stage increase: the wage rose to $3.80 an hour (or $152 for a 40-hour week) in April, and will reach

"It will mean a little more. It will mean I can buy more food."

Ophelia Ratliff, at home in Chicago

$4.25 next year. Some called it an overdue victory, in an age of glossy neglect, for the working poor.

But behind the debate are the families who live the minimal life. More than 3 million Americans survive on the minimum wage, and millions more, like the Wellses, hover just above it. As inflation hummed along at 4% or 5% a year and buying power eroded, many lost their financial footing and slipped below the poverty line: a full-time worker at minimum wage still falls about $2,000 short of the subsistence level ($9,890 for a family of three). While it is true that most minimum-wage workers are teenagers or part-time employees, there are millions more men and women who earn $5, $6 or $7 an hour and still cannot meet basic needs.

CYNTHIA JOHNSON

"They know the value of money, my kids do. They don't spend it on toys. They say, 'Mom, I want to buy shoes for school.' "

Sandy Wells, with her family in Pennsylvania

That leaves families worrying constantly about priorities. Heat or cough medicine? Books for school or shoes? "You lead a simple life," says Father John Seymour of Our Lady of Victory Church in Compton, Calif., where many of his parishioners face the hard choices every day. "Your main recreation is television. You eat a lot of rice, pasta, potatoes and beans, maybe some green vegetables. You take the bus, or you kind of carpool it, riding with someone and helping with the gas. If you're pregnant, you don't begin prenatal care until your seventh, eighth or ninth month, because even at a public health clinic, it's $25 a visit."

Which means that everyone pays. Many of the expenses that fall through the cracks land on the public. A minimum-wage worker with a car probably cannot afford insurance. If he gets in an accident, someone else ends up paying, and eventually everyone's premiums rise. Likewise, babies of women who delay seeking adequate prenatal care are at high risk for birth defects and neonatal trouble. This in turn drives doctors' insurance premiums up and makes for higher medical costs later on. Children who leave school early to help support the family have much less chance of climbing out of the minimal life themselves.

This explains in part why so many working parents will go to any lengths to ensure that their children have chances that they did not. On the table in the tidy living room of Patricia Mull's Los Angeles apartment is a *World Book* encyclopedia. The shiny volumes cost $1,200, an almost inconceivable amount carved out of her household budget. Her daughter Lorena is a junior high school honors graduate who wants to go to law school, and the encyclopedia, like the tuition for private schooling, was a high priority, a costly symbol of firm intent.

Mull earns $4.25 an hour sewing bathing suits and bathrobes. In 14 years at the same factory, she has never had a raise, except the last time the state government increased the minimum wage. "I don't drink coffee there," she says. "I don't want to spend the money." When the premium for her medical insurance rose from $6 to $16 a week in 1988, she canceled it. "I can't afford it," she says quietly. What if she gets sick? "I never get sick."

Mull is a financial wizard. "I buy this for one year," she says, cradling a half-gallon jug of Palmolive liquid soap. She ducks back into the kitchen and brings out a half-gallon jug of molasses. "This is for six months. You make pancakes with it. I buy everything big." Her monthly budget is tightly knotted around fixed costs: $400 goes for rent, not including gas and electric bills; Lorena's school, Immaculate Conception, is $80 a month; $15 goes to Mervyn's department store for clothes bought earlier; food takes $40 a week; Mull's bus pass is $42 a month. "I never go to the dances," she says. "I never go to the movies." An outing usually means church on Sundays. "I worry about the rent," Mull says softly. "I worry if I can make the payment in time. I worry if I have enough money left for other things. I worry about money every day, every night."

Back in the days when the economy was expanding, the cold war ending and the peace dividend looming large, Ronald Reagan cherished a famous fantasy about flying with Mikhail Gorbachev over the sun-soaked swatches of Southern California, with its mosaic of turquoise swimming pools and tidy lawns and fat white garages plump with new cars. "Those are the homes of American workers," he would proudly declare, describing a Hollywood dreamland where auto mechanics have summer houses and anyone can go to college.

Advocates for the working poor have another fantasy. They imagine the day when "good jobs at good wages" will be a national priority, not a much mocked campaign theme. It is true that a strong economy helps all workers, but even the steady growth through the 1980s left many behind. The jobs created in the 1980s were often in the lower-paying fields, and in the absence of union muscle and public support, those jobholders are on their own.

For the Wellses in Pennsylvania, the choices are prescribed by a take-home income of $600 a month, which Al earns making respirators at a local factory. After five years, he is paid $5.68 an hour—which means that the increase in the minimum wage did him no good at all. Nearly half his take-home salary goes to rent the 12-ft. by 65-ft. trailer he, his wife and three children live in and the lot it sits on; $20 is set aside for the gas he needs to get to the factory. "His working is our livelihood, so that has to come first," says wife Sandy.

Electricity runs about $40 a month. The Wellses had a phone for a while, but it cost more than $20 a month, so they got rid of it. Food stamps worth $200 a month help keep meat on the table, but if Al works overtime at the factory, the subsidy is reduced. All the bills are paid with money orders because they do not have a checking account. "You have to keep at least $10 in your account to keep it open," says Sandy, "and we just can't do that."

Under such circumstances every acquisition entails a sacrifice, and there is no margin for error or whim. The Wells children stay home from class skating trips because Sandy cannot manage the $1.50 for skate rental. "They know the value of money, my kids do," she says. "They get money, they don't spend it on candy or toys. They say, 'Mom, I want to buy shoes for school.' " But every now and then, when equanimity ruptures, the family will splurge. One time last fall, Sandy recalls, "we paid the lot rent and we had, like, $40 left. It was supposed to go to the lights, but we just said, let's go to McDonald's." She smiles at the memory. "The kids thought that was the greatest thing in the world."

It is an additional irony that the increase in the minimum wage may actually leave some families worse off. When household incomes creep up, many workers find themselves suddenly ineligible for the food stamps, housing allowances and Medicaid that have made the difference between mere discomfort and true desperation.

An unemployed single mother of two in New York City, for instance, is eligible for $253 a month from the Aid to Families with Dependent Children program. She can also get $153 in food stamps, a $286 housing allowance, a Medicaid card and subsidized day care for her children while she attends classes or work-training sessions. The minute she begins working, even for minimum wage, she begins losing her rent and food benefits and must worry about day-care costs, transportation to and from work and medical insurance. Even if the minimum wage were raised to $5 an hour, or about $10,000 a year, families would still be struggling to survive. "To me, the support mechanisms are more important than the minimum wage," says Kenneth Heilman, a social worker in Armstrong County, Pa.

Jennifer Cole of Danvers, Mass., was on welfare before she got married, and she understands dependency. "People talk about welfare mothers' just sitting around. Well, there's no incentive for them to work. You lose all your security, your checks, your medical coverage." The programs that are thought to support working families like the Coles are out of reach. She tried to get her daughter Jacqueline, 4, into a Head Start program but was turned down because the family made too much money. So Jacqueline spends her day watching videos.

ALON REININGER—CONTACT

"I worry about the rent . . . I worry if I have enough money left for other things. I worry about money every day, every night."

Patricia Mull, with Lorena

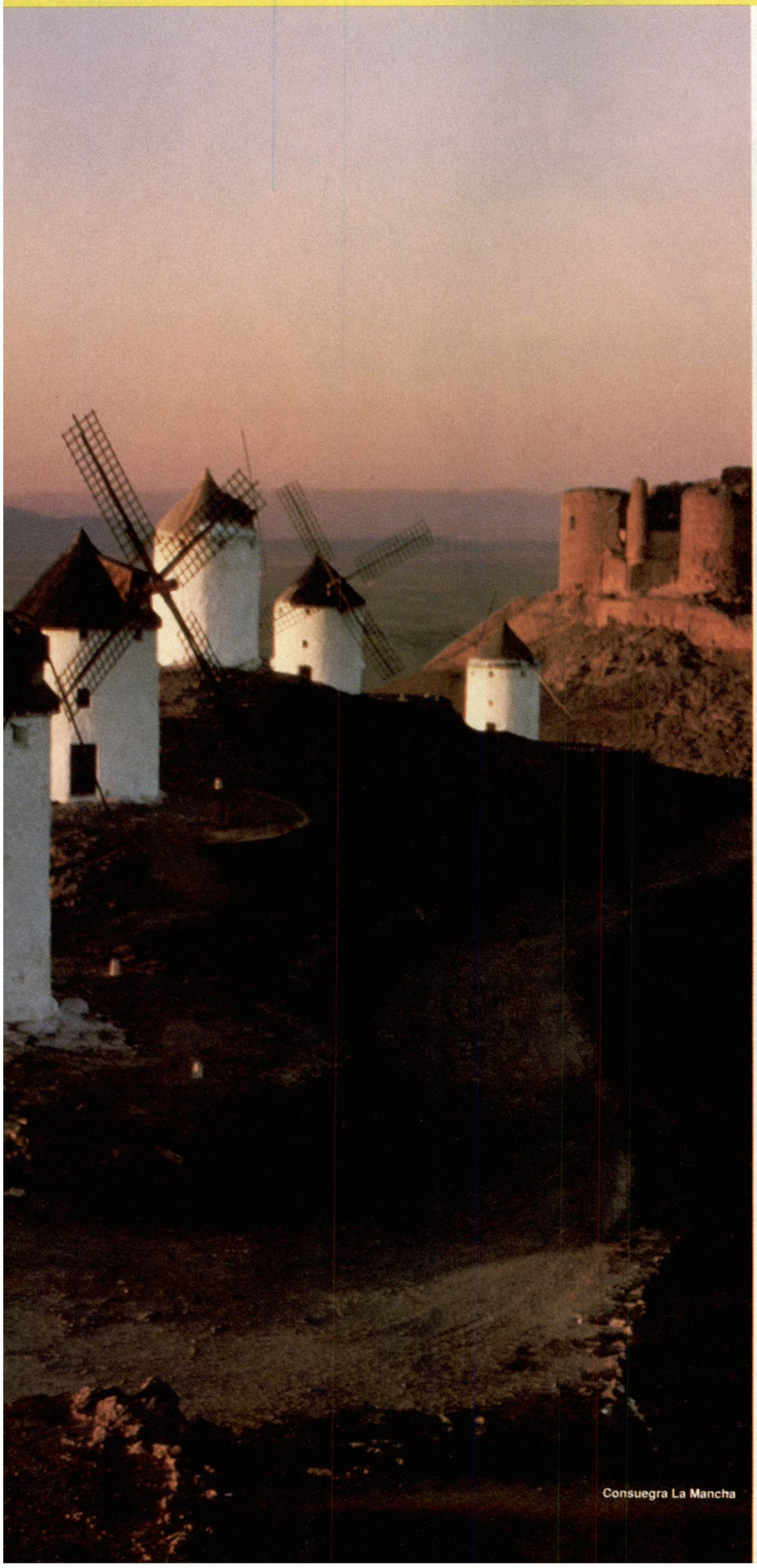
On the face of it, Jennifer and her husband Jeff appear to have a perfectly comfortable income. Their combined salaries—he is a machinist in the microwave division of Varian; she is a night clerk for a local food distributor—total about $37,000 a year, middle class by any standard for a family of four. But since they are ineligible for most support programs, they face many of the same dilemmas as minimum-wage earners: the hard decisions, the small indignities and the rough edges of approximate poverty. "They say we're middle class," says Jennifer, "but this isn't the way I thought middle-class people lived."

The Coles, for example, have acquired skills they never imagined they'd need, like dodging creditors. Sometimes they put the electric bill in Jennifer's maiden name and the phone bill in Jeff's name, then move to another town and do the reverse. "We owe everybody money," says Jennifer. "It becomes, 'Do we want to pay back $400 we owe his parents—they're not exactly wealthy people—or do we pay the people who are chasing us the hardest?' "

But it is not as though they are spendthrifts. "We don't clothes-shop," pipes up Jacqueline, an engaging child with lemon-colored ringlets and blueberry eyes. Jennifer nods in agreement. "I can't remember the last time I was in a mall." The couch in the living room is from a friend who bought a new one; the tables come from her parents, the hutch from his. "Everything here has a story to it," says Jennifer. The one new item is a clock on the wall with a picture of the Grateful Dead on the face. They spotted it one afternoon at a local fair, and Jeff, a diehard "Dead Head," fell in love. At $15 he resisted the urge, until Jennifer insisted that he buy it. "Sometimes," she told him, "you just got to do something for yourself because it'll make you feel good."

For many families, the increased minimum wage will scarcely be felt at all. But for others, it will at last allow some tiny luxuries. "It will mean a little more," says Ophelia Ratliff, a divorced mother of seven in Chicago. "It will mean I can buy more food." She works for $3.87 an hour doing housekeeping for the homebound and earns a bit extra as a housecleaner. "I'd be getting a little more from my work," she adds, "and I might take on more hours."

No family is "typical" of the working poor. Families like the Coles and the Wellses, the Ratliffs and the Mulls serve as reminders that poverty is ecumenical and its mythology misleading. They may defy the stereotypes of the dependent underclass in their pointed commitment to maintaining their freedom of choice. But there is a thin line between determination and despair, and for families at the edge there is always a fear of falling. "Politicians, I think it's all a game for them," says Jennifer Cole. "They're up there, and we're down here. But it's not a game for us." Not so long as winning means just breaking even, one day at a time. —***Reported by Janice C. Simpson/New York, with other bureaus***



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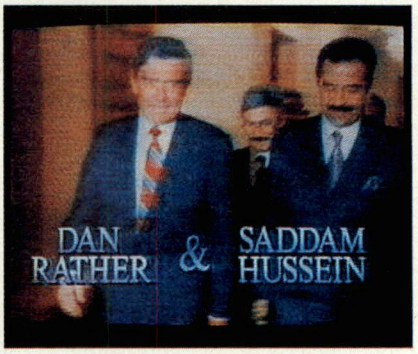
The First Casualty

In the post-Vietnam era, reporters get a shorter leash

DENNIS BRACK—DOD POOL



A war of words and images: as part of the Pentagon pool, a CNN camera crew films an American G.I. in Saudi Arabia; the CBS anchorman and the Iraqi President during last week's interview in Baghdad

By STANLEY W. CLOUD WASHINGTON

A famous saying has it that truth is the first casualty in any war. Not only do national leaders like to employ overblown rhetoric to justify their decisions to send troops into combat, but once the shooting begins, those who must pull the triggers or staff the home front seem to prefer heroic mythology to the reality of fire and death. Understanding this, war correspondents from Homer to Ernie Pyle have tended to rein in their normal skepticism, serving up instead what both the government and the public want to hear.

That tradition changed somewhat during the Vietnam War, with its confused purposes, enterprising reporters eager to roam in harm's way in search of the truth, and absence of military censorship. In fact, there are those who argue that Vietnam was lost in the living rooms of America, that the nightly TV footage of body bags and burning villages turned hearts and minds against the war. Hardly surprising, then, if the Pentagon should try to avoid the pattern of Vietnam by keeping the press on a short leash whenever American troops go into action.

To some extent, the press, chastened by public hostility, is less confrontational about American military policy than it used to be. In addition, reporters face systematic constraints on their efforts to cover U.S. military operations that they would never have tolerated in Vietnam. Partly to blame is the pool system, set up after the Grenada invasion, in which a small group of correspondents, under the Pentagon's rules, is permitted to cover the initial stage of any military action involving U.S. troops. Every time the pool has been called up to report on a real crisis, its work has been severely and unnecessarily thwarted.

In Saudi Arabia the pool members weren't delivered to the area until at least five days after the U.S. deployment began. Pentagon "escorts" sat in on interviews. The pool had to abide by a long list of rules, including a ban (later rescinded) on using the name and hometown of any soldier interviewed.

The Defense Department blamed much of the trouble on the sensitivities of the Saudis. But many journalists suspect that the unstated purpose of the pool is to prevent serious coverage, at least in the early stage of any military action. Says Jonathan Wolman, the Associated Press's Washington

Front-Row Seat

Luck is the residue of design, an old saying goes, and Caryle Murphy of the Washington *Post* has turned that into her own version of Murphy's Law. As Saddam Hussein intensified his war of words against Kuwait, she decided to fly from her bureau in Cairo to the Persian Gulf emirate for a first-hand look. Thus she was the only American reporter in Kuwait when Iraqi troops invaded on Aug. 2. Her calm, lucid eyewitness reports—some printed without a byline to disguise the fact that she was there—will surely be among the prime candidates for journalism prizes next spring. As Murphy wrote in one dispatch, she had "a front-row seat for witnessing a small nation being crushed by its larger neighbor."

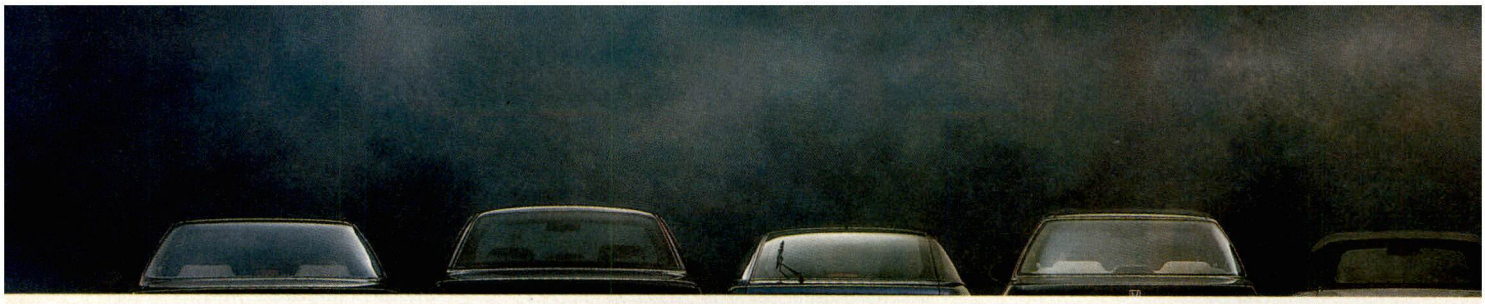
Murphy, who moved into the apartment of some American friends to avoid Iraqi troops in her hotel lobby, was initially able to tour the city by taxi with two European journalists. Some diplomats, including Belgians, provided facilities for filing stories. On Aug. 14 some Europeans made an early-morning run for Saudi Arabia; Murphy, who was staying across town, could not join them. Two days later, Iraq ordered all American and British citizens to report to hotels and register with Iraqi forces. "I did make a couple of taxi trips after that," she said, "but it was pretty nerve-racking."

JOHN MC DONNELL—WASHINGTON POST

Caryle Murphy

In one dispatch, Murphy described the Iraqi attack on the Emir's palace as seen from her hotel window. "Throughout the day," she wrote, "the sound of machine-gun and mortar fire echoed through the city as a dull percussion accompaniment" to the siege. A few days later, she described the captured city as being like "the eye of a storm" as the main highways "give off a low hum from the washboard-like ruts caused by the tread of heavy tanks."

Murphy eventually made contact with someone who helped her join a convoy making a daring cross-desert escape to the Saudi border. A cheer went up when word reached the Washington *Post* newsroom last week that she was safe. Through the whole ordeal, the Massachusetts-born Murphy, 43, managed to keep her Yankee sense of thrift. When she telephoned the *Post* from Riyadh last week, an assistant tried to switch her to foreign editor David Ignatius. Murphy demurred. "This hotel is charging too much. Have David call me back." ■



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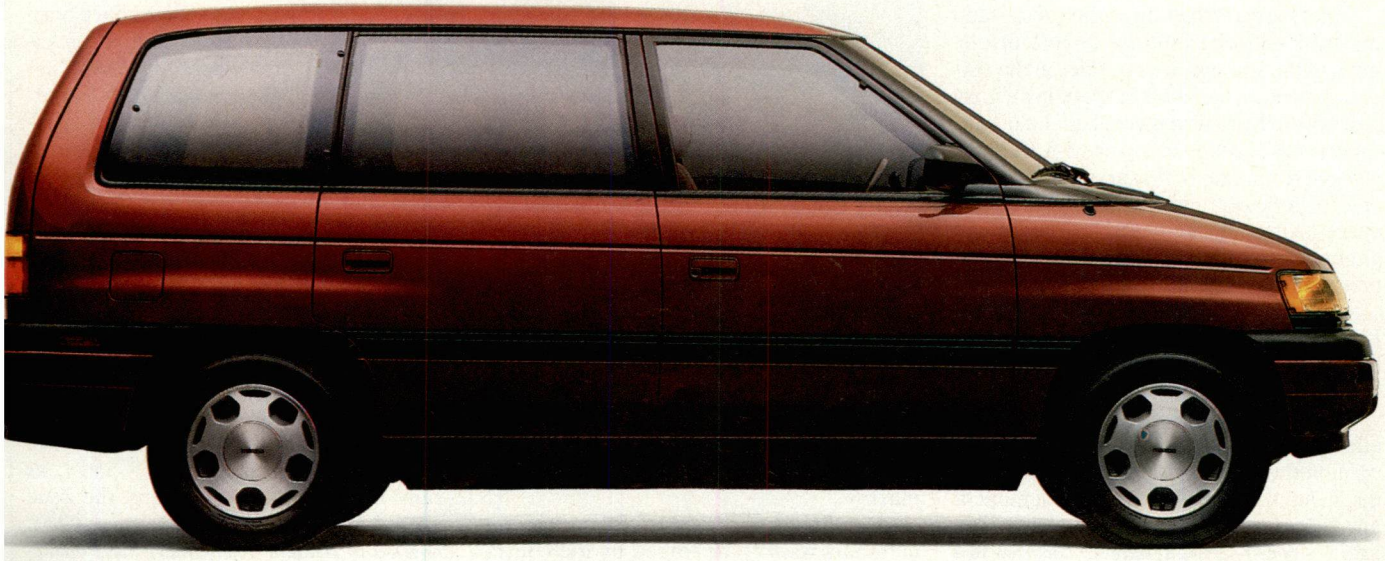


bureau chief: "The Pentagon doesn't want this thing to work. If they can send in tanks, planes, ships and thousands of troops, they can send in 11 reporters and photographers at the start of an operation." Washington *Post* managing editor Leonard Downie Jr. calls the pool "absolutely useless." He believes restraints on the press were created in an attempt to emulate the British government's success at controlling the press during the Falklands war.

If so, the tactic seems to have worked. The normally feisty press has hardly ruffled a feather in protest. Worse, as former network correspondent Marvin Kalb wrote last week in the New York *Times,* there is "a certain whiff of jingoism on the airwaves and in print." Nor did the situation improve when the Pentagon pool was supplanted by the 300 or so "unilaterals"—nonpoolers—who have been admitted to Saudi Arabia since the crisis began. For one thing, the rules and limits on access that applied to the pool have largely remained in effect for all journalists. Reporters had neither the freedom nor logistical means—nor, it sometimes seemed, the Vietnam-era gumption—to scour the potential battlefronts in search of stories. For another, even in the 110° desert heat, a different sort of media circus seemed to be opening. At one point, TV crew members shoved aside Senator Sam Nunn during his visit to a Saudi air base in order to get a better "visual." Said a U.S. military official to a reporter afterward: "Sometimes you don't do yourselves any favors at all with some of this ragtag, rat-pack journalism."

Doubtless there are those in the Pentagon, including Defense Secretary Dick Cheney and his press spokesman, Pete Williams, who support the role of a free press during a military operation—in theory anyway. But many officers see reporters as just another enemy. The "irrational" military code, says retired Marine Lieut. General Bernard Trainor, is "duty, honor, country—and hate the press."

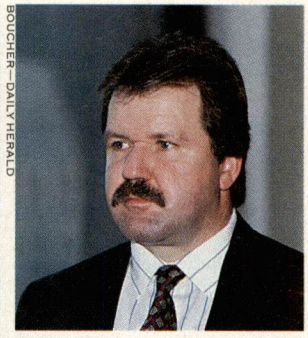
Finding ways to control the press—and the truth—has become an important element in the strategy of both sides in the current showdown, as Saddam Hussein's clunky attempts to become a media superstar have shown. His TV appearances with the hostages were intended to tug at the heartstrings of foreign viewers and create a high-minded, peace-loving image. Saddam last week granted CBS's Dan Rather an interview in the presidential palace in Baghdad and, among other things, tried to justify his invasion of Kuwait. "The Kuwaiti rulers were actually trying to destroy Iraq," Saddam asserted. His self-serving declarations surely failed to convince most of his Western audience. But his efforts to win the hearts and minds of world opinion showed that he too knows that media manipulation is an important element of any showdown in the post-Vietnam video age. ***—With reporting by Ratu Kamlani/New York and Jay Peterzell/Saudi Arabia***

The Gift of Life—or Else

Should toddlers be forced to donate bone marrow so their half brother can survive?

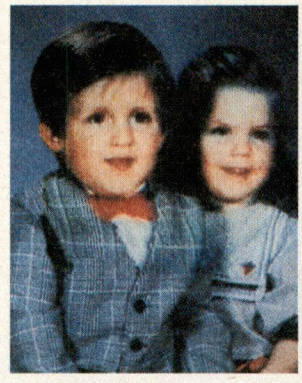
Jean-Pierre Bosze is not likely to be alive a year from now if he does not receive a bone-marrow transplant. Diagnosed with leukemia in 1988, the 12-year-old boy from Hoffman Estates, Ill., has searched in vain for a suitable donor. His father Tamas, his mother and other relatives have had their blood tested, but none has the right type. His doctors have consulted the National Marrow Donor Program of 180,000 potential donors, but the odds of unrelated people matching are 1 in 20,000.

BOUCHER—DAILY HERALD



KUSEL—SIPA

Seeking help: Tamas Bosze and his ailing son Jean-Pierre



KUSEL—SIPA

Defending privacy: Nancy Curran and the half siblings

The chance of a match between siblings or half siblings, however, is higher, which accounts for the drama unfolding in the Illinois courts. Four years ago, Tamas Bosze had an affair with a woman named Nancy Curran. She gave birth to twins, Jean-Pierre's half brother and half sister, who are more likely than anyone else to be compatible donors. Last June, Bosze went to court to force Curran to have their twins' blood tested and, if there is a match, to let doctors "harvest their marrow."

Would even the most loving family members want to be forced by the courts to donate a kidney or a retina to an ailing child or sibling? The chemistry of love and courage often inspires one relative to donate organs to another. But to do so is an act of will, born of the impulses of a generous individual—not the mandate of the law.

Last month an Illinois judge ruled that forcing a donation would violate the twins' right to privacy. The risk is relatively small; doctors withdraw the marrow through a needle from the donor's hipbone. But Curran's lawyers argue that there is always the chance of complications. "I do not want to see my children in pain," says Curran. "My priority in this is my children."

But this week the case will be back in court; the Illinois Supreme Court has ordered the lower court to appoint guardians to represent all three children and determine what would be in their best interest. "Instead of deciding which parent's view will prevail," notes Harvard law professor Alan Stone, "the court is suggesting that the children need their own legal representation."

Bosze's attorneys argue that agreeing to a transplant would benefit not only Jean-Pierre but the twins too, by sparing them the trauma of knowing that their half brother died when they might have been able to save him. Their effort echoes a 1969 Kentucky case in which a court ordered a mentally impaired young man to donate a kidney to his ailing brother. It reasoned that the retarded man would be devastated by his brother's death.

Despite this ruling, few legal experts think Bosze will prevail. "The legal tradition is very strong that you can't invade a child's body to help another," says medical ethicist Daniel Callahan. But he adds that Curran's moral case is far weaker than her legal one. "She is being asked to put her children at comparatively slight risk to save the life of their half brother." Sadly, as Jean-Pierre's condition worsens, the issue may soon be moot. ***—By Nancy Gibbs. Reported by Barbara Dolan/Chicago and Andrea Sachs/New York***

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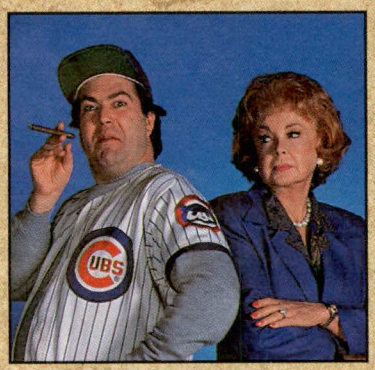

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Invasion of the Habitat Snatchers

Exotic plants and animals are ruining the nation's wilderness

By the end of the year, well over 10 million people will have traveled to America's national parks to see the few tiny patches of land that are still as pristine as they were before Columbus landed, or so most believe. In fact, the National Park Service is coping with a growing problem that is partly nature's doing but largely the result of civilization's subtle intrusions. Far from being islands of primeval beauty, parks from Hawaii to North Carolina are being overrun with nonnative plants and animals, virtually all of them introduced, inadvertently or on purpose, by man. These "exotic threats" have become, officials say, the most serious danger facing the 323,750 sq. km (125,000 sq. mi.) national park system.

ELLIS—ELLIS WILDLIFE COLLECTION

A feral pig roots a swath through the Great Smokies

Most nonnative species have been imported by man.

The most dramatic threats are in Hawaii, where the 900 indigenous plant species—some found nowhere else in the world—face new competition from another 900 species of nonnative plants, including banana poka and ornamental ginger. The banana poka was imported in the 1950s by a Japanese gardener, and has since spread its vines over 16,200 hectares (40,000 acres). Other exotics were introduced in the 1930s in an attempt to conserve water and stem soil erosion. Now biologists fear a time when the native plants will be completely gone from places like Haleakala National Park.

Invading animals are also a difficult problem. Rats have been hitching rides to the islands on ships for centuries, then escaping into the forests where they feast on nesting birds and their eggs. Local authorities imported mongooses to hunt the rats in 1883. But no one considered that mongooses hunt in the early morning and early evening, when the rats are not out. So the mongooses switched to birds, compounding the problem.

In Great Smoky Mountains National Park, the main culprits are wild boars, descendants of animals imported to North Carolina in 1912 for hunting. The boars weigh as much as 136 kg (300 lbs.), and, says park official Joe Abrell, "tear up most everything in their paths." Man is responsible as well for oriental bittersweet, a vine imported to control erosion. It is strangling trees. Says park resource specialist Keith Langdon: "Once it gets a grasp on the land, it doesn't relinquish it."

Another plant is overrunning parts of the Southwest, including the Grand Canyon. Introduced about 70 years ago to act as an erosion fighter and windbreak, the tamarisk tree has taken over about 81,000 hectares (200,000 acres), pushing out native trees and threatening eight species of birds that nest in them. The Grand Canyon's major animal offenders are burros; turned loose by prospectors generations ago, they have grown into vegetation-devouring herds.

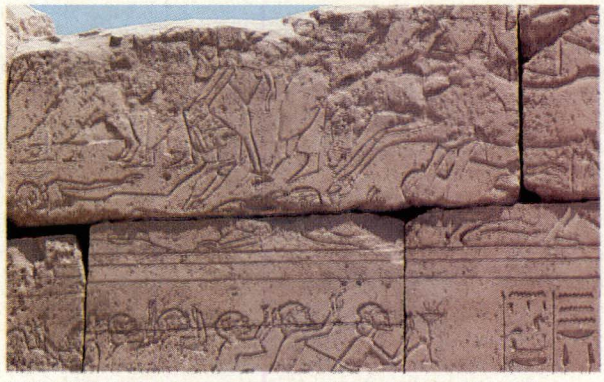
Large animals can be either killed or removed, but that sometimes causes problems of another sort: a burro-shooting program at the Grand Canyon had to be halted after a public outcry. In Hawaii Volcanoes National Park, though, a population of 15,000 or so feral goats was reduced to only 4, and in the Smokies the wild boar population has been pared. Smaller animals are much harder to fight, and plants harder still. Herbicides kill too indiscriminately, and bringing in new exotic species to control the old is demonstrably dangerous. Rangers often have to resort to chopping down or uprooting invading plants one by one, a holding action at best. In the end, park officials—and visitors—will have to accept that the nation's wild lands will never return to their original state. The best that can be done is to work hard to keep new exotic threats from following on the heels of the old. —**By Michael D. Lemonick.**

Reported by Scott Brown/Hilo and Michael Mason/Atlanta

First Sight

The earliest Israelites?

"*Canaan has been plundered into every sort of woe . . . Israel is laid waste and his seed is not.*" In 1207 B.C., in the fifth year of his reign, the Egyptian Pharaoh Merenptah used these words to herald the victorious campaign he had waged two years earlier against Canaan, to the north of Egypt. In the process, the Pharaoh may have given the world its first recorded mention of the people of Israel. Merenptah's account of his military exploits is inscribed on a granite monolith 7½ ft. high and 3¼ ft. wide. The stone was recovered in 1896 from the Pharaoh's funerary temple at Thebes, and is currently in the Cairo museum.



THOMAS HARTWELL

This 1200 B.C. stone may show the first view of Israelites

Now there may be pictures to accompany Merenptah's text. In an article appearing in the current issue of *Biblical Archaeology Review*, Frank Yurco, an expert in ancient Egyptian inscriptions, who works at Chicago's Field Museum of Natural History, says he found representations of the Pharaoh's Canaanite campaign chiseled into stone blocks at the Karnak temple in Luxor, Egypt. According to Yurco, the figures dressed in ankle-length clothes at the upper left corner of the top slab are the defeated Israelites; more Israelites lie in a confused jumble at the slab's bottom edge. If Yurco's theory is correct, these images would predate the earliest known depiction of the Israelites by six centuries. The figures in the bottom slab depict Merenptah's defeat of the Canaanite city of Ashkelon. ■

Head Man In the Boneyard

No one knows more about how dinosaurs lived than **JACK HORNER,** so why are so many six-year-olds mad at the paleontologist?

By RICHARD CONNIFF

Somewhere in eastern Montana, in the rolling, eroded hills known as the Hell Creek formation, paleontologist Jack Horner sips a beer and looks down at the most complete *Tyrannosaurus rex* ever unearthed. It lies on its left side, its neck twisted back pitiably. Horner's crew has just exposed a section of pelvic bone to its first sunset in 65 million years, and someone remarks on the redness of the bone, like smoked bacon.

"It's the comet," says Horner, with a deep nod.

"That's why it's smoked," his crew chief says.

Well, O.K., maybe not. Have a beer, sit down in the gray sandstone grit, but do not attempt to reopen the great debate over whether the dinosaurs were wiped out at the end of the Cretaceous period by a huge comet or a vast cloud of volcanic dust or any of 80-odd other proposed killers, all of which Horner spurns. He has a rubber stamp that says, WHO GIVES A S___ WHAT KILLED THE DINOSAURS? Horner cares about how they lived.

Over the past decade, his ideas on this subject, based on a series of extraordinary finds, have helped rescue dinosaurs from the abstract realm of monsters, enabling people to view them for the first time as real animals. These theories have earned such respect in the scientific community that Horner, who flunked out of college seven times and was driving a truck in the family gravel business only 15 years ago, now heads the largest dinosaur research team in the country. Supported in part by the National Science Foundation and a MacArthur Foundation "genius award," Horner oversees a staff of seven and six students. At the same time, his concepts of the social and family lives of dinosaurs have made him the bane of bloody-minded six-year-olds everywhere.

Horner has demonstrated that some dinosaurs were nurturing parents, raising their young in large nesting colonies and bringing their offspring berries and green vegetation, much as do birds. He has shown that the young in such species were neotenous—or cute, as Horner puts it more plainly; until maturity they were gawky, with such vulnerable traits as enlarged heads, big eyes and shortened snouts, which theorists of animal behavior believe elicit the nurturing response in humans and other child-rearing species.

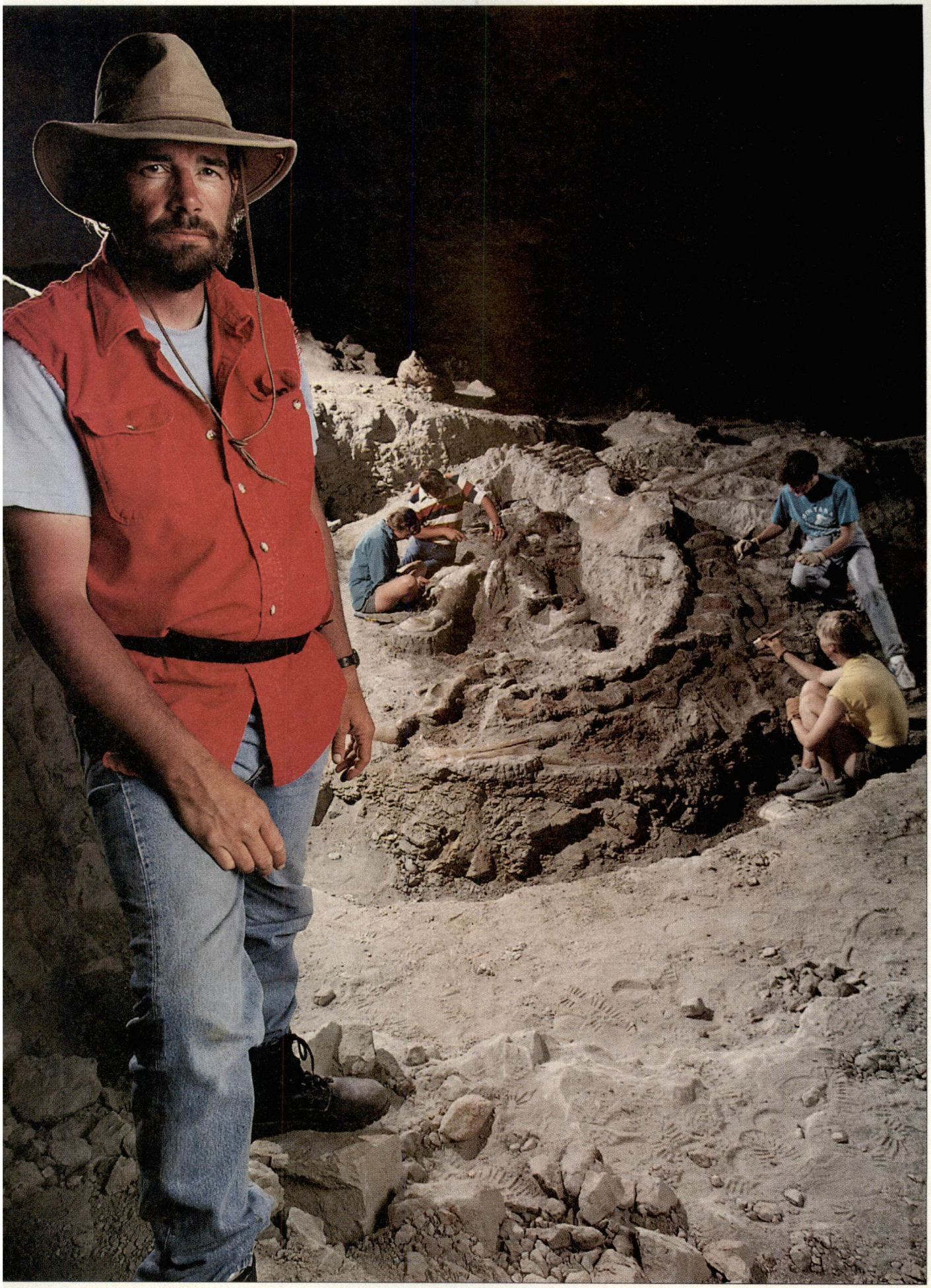
In place of the familiar panoramas of flesh-ripping Godzillas, Horner describes the most common dinosaurs as "the cows of the Mesozoic." He has found the remnants of one dinosaur herd—an estimated 10,000 waddling, plant-eating duckbills. Even *Tyrannosaurus rex* seems less terrible in his revisionist view. Horner believes it followed herds of triceratops, scavenging carcasses and occasionally preying on weak individuals, much as hyenas follow wildebeests in Africa. Artists' renderings of pitched battles in which a triceratops tries to gore a tyrannosaurus in the belly are misleading. Triceratops was more likely to use its horns as a modern deer uses its antlers, not mainly for battle but to establish dominance in the herd and attract a mate.

If the viewpoint is unconventional, so is the man. Horner, 44, teaches at Montana State University and is curator of paleontology at the Museum of the Rockies in Bozeman, but he has no knack for academic decorum (administrators at the museum wish the rubber stamp could say, I DON'T GIVE A DARN WHAT KILLED THE DINOSAURS). He disdains intellectual showboating, describing his own tyrannosaurus as a "media specimen," valuable mainly because it will bring the fang-and-claw set into the museum to see really important stuff, like duckbills tending their offspring. His manner is casual and laconic, which fits with the scraggly beard, the sneakers and the bush hat. But when a volunteer presents some fossils he has gathered, Horner handles them attentively. Then he peers from under his domed brow, and through a veil of smoke rising from the cigarette at the corner of his mouth, he inquires, "What *else* did you find out there?" There is about him something of the disguised intensity of a gold prospector. He smokes each cigarette down to the filter.

Growing up in Shelby, Mont., Horner collected his first dinosaur fossil at the age of eight, and he set out in high school to become either a paleontologist or the next Wernher Von Braun. His schoolwork was wretched, but he excelled at science projects. One, presented to a small group of bored adults at the local airport, was an experiment to track the flight of a homemade rocket. It went up 15,000 ft. at a velocity of 800 m.p.h., and the memory of his gaping elders still gratifies Horner, who scraped through high school with a D average.

By managing to worsen his academic record in college, he soon found employment doing reconnaissance for the Marines in Vietnam. Then he began a renewed assault on college. The theoretical character of rocketry frustrated him, but fossils were something he could get his hands on, and he put in a total of seven years pursuing courses in paleontology without earning a degree. He describes himself then as "driven" and says, "I didn't want to seem like just another idiot." Horner went into the family's gravel business, but he continued to hunt for a job in the dinosaur line, finally landing one in 1975 as an assistant in paleontology at Princeton University, where his first assignment was to straighten bent nails. There, at the age of 31, he discovered that his academic problem was not stupidity but dyslexia.

Starting out early one recent morning in Hell Creek, Horner points to a black line in the layer cake of geologic deposits. "That's the Tertiary-Cretaceous boundary," he advises a newcomer. "There's nothing above there but a lot of old mammals. Gives dinosaur people nosebleeds to go up that high." Farther down, at the tyrannosaurus site, his crew



Photograph for TIME by Phil Schofield

of graduate students and preparators are already chinking and clanging into the sandstone with jackhammers, pickaxes, shovels, chisels and ice picks. The workers are at it from 7:30 to 4:30, six days a week, with a fine gray dust accumulating in the folds of their ears and eyes. Then, after dinner, they prowl the hills for new finds. They are bivouacked 55 miles from the nearest shower stall, in Jordan. "I give 'em lots of beer," Horner explains. "And I find good things for them to dig up."

In the latter cause, Horner heads out each day with his fossil hunter's pick in one hand and a cigarette in the other. The hillsides are pocked with deep sinkholes and covered with bentonite, a loose mudstone that gives the sensation of walking on popcorn. When Horner slips, he drives the pick in up to its haft and hangs on as it plows a neat furrow 30 feet down a hillside without catching on anything solid. If this were an Indiana Jones movie, he would smash into something wonderful at the bottom—the skull of a *Pachycephalosaurus,* say. In real life, all Horner gets is a banged-up human knee.

Triceratopses can be had cheap hereabouts. Horner picks his way through the litter ("Rib city," he remarks, dismissively) with an eye for the shape of the land as it was in the Cretaceous, when rivers from the Rockies flowed through eastern Montana into a vast central seaway. At one point he kneels and works at some potentially good thing with a car mechanic's gasket scraper, then sweeps off the debris with a whisk broom. A visitor asks what he has found. "I haven't got a clue," he says, wrapping the pieces of bone in toilet paper. "That's why I'm taking it." Elsewhere he stops at an unusual fossil spotted the night before by a graduate student out fishing, who excavated it part way with a daredevil spoon intended for catching bass, not dinosaurs. "It's a metatarsal," Horner says, completing the job. "Ornithomimid. And a darn nice one at that."

He isn't the type to stake out an intellectual claim and spend the rest of his life footnoting it and fending off critics

One day in 1977, while fossil hunting with his father in Montana's Two Medicine formation, Horner picked up a rock that resembled a squashed turtle. It turned out to be one of the first intact dinosaur eggs ever found in the western hemisphere, and Horner's work at Princeton thus came to focus on one of paleontology's great mysteries: the almost complete absence of juvenile dinosaurs, especially babies, from the fossil record. He went back to Montana the following summer, with the idea of spending his vacation searching for babies in some likely shales, in the company of a beer-drinking, fossil-hunting pal named Bob Makela. They wound up one Sunday morning helping the owner of a rock shop in Bynum identify some of her fossils. Among them was a coffee can full of bones from a recent dig, including a fragment of a thumb-size femur. "You're not going to believe this," Horner remarked to Makela when he picked it up.

The femur and a collection of other bones back at the house were from baby duckbills. The shop owner took the two paleontologists to a ranch near Choteau where she had found the fragments, and during the next few weeks the scientists unearthed an entire nest 6 ft. in diameter, separating out the fossils with a garden hose and a window screen. To nonpaleontologists, Horner writes in his recent book, *Digging Dinosaurs* (Workman Publishing; $17.95), the fossils resembled "a bunch of black, sticklike rocks—jumbled and inscrutable, the way much of modern art seems to me." But to Horner, they were the remains of 15 duckbill babies, almost ready to leave the nest. Nearby he also found the adults that had apparently reared their offspring to this stage. From such evidence as the worn teeth and incompletely formed bones of the nestlings, Horner inferred that the parents were sharing food with them and, from their growth rate, that they were warm blooded.

Such parenting behavior is unknown in modern reptiles and had been unsuspected in dinosaurs, leading Horner to name this new genus *Maiasaura,* or "good mother" dinosaurs. Later he found a cluster of such nests, separated from one another by about 25 ft., the length of an adult maiasaur. He argued that they dated from a single breeding season 80 million years ago and that dinosaurs returned to this breeding ground yearly, like migratory birds.

Horner devotes much of his time to presenting dinosaurs as they lived day by day. At the Museum of the Rockies on Sept. 15, he will open a new dinosaur hall in which, risking heresy, there will be nothing scary. An orodromeus scratches its jaw with a hind leg, and a maiasaur sits like a huge, impassive camel. In a corner a pterosaur stands on the ground, looking like an Audubon heron in a funhouse mirror. "I wanted the exhibits to portray animals," says Horner, "not just single events of aggression."

Going against the custom of mounting the most spectacular dinosaur bones on steel, which can reduce their scientific value, he aims to put only a bronze cast of his tyrannosaurus outside the museum. The bones will go on display much as his crew found them. The idea is to let ordinary museumgoers see the evidence from which paleontologists make their leaps of reasoning and imagination. They will be able to argue, for instance, over the only tyrannosaurus arm ever found. It is about as long as a human arm—too short, in Horner's view, to be much use in predation, but far more muscular than previously thought, having been capable of curling 400 lbs. Horner seems to relish arguing such questions imaginatively far more than actually proving himself right. In Horner's undogmatic approach, the museum's fleshed-out dioramas are designed to evolve every few years as our view of dinosaurs advances.

His dyslexia, which still sometimes causes him to puzzle for half an hour over a single word, has predisposed Horner against academic overcomplication and rigidity. He isn't the type to stake out an intellectual claim and spend his life footnoting it and fending off critics. For Horner, what matters is getting into the field, finding more bones and listening to what his hands have to say about them. Early one morning on a roadside somewhere north of Jordan, he pulls on a backpack loaded with water bottles, tools, a can of sardines for lunch. He has about him an air of understated excitement. "Let's go look for some damned dinosaurs," he says. Then he heads out once again to the bone-rich hills of Hell Creek. ■

People

By WENDY COLE / Reported by Elizabeth Rudulph

JOHN BRYSON

Say Cheese

She's hardly had an open-door policy with the press, but **Katharine Hepburn** didn't seem to mind back in 1974 when photographer John Bryson first asked if he could snap a few shots of her on the Oregon set of her film *Rooster Cogburn.* He and his lenses have been trailing the screen legend ever since—climbing trees, doing laundry, performing movie stunts. His collective portrait, *The Private World of Katharine Hepburn,* will be out next month. Why did the very private Hepburn, 80, allow Bryson such access? "I just like him. I trust him." Some compliment from a woman who says she detests posed pictures.

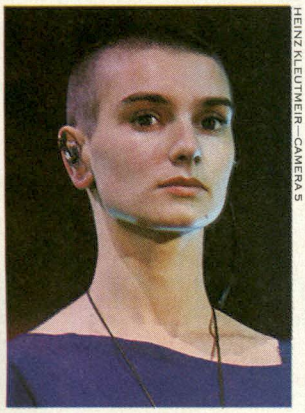
Game of Love

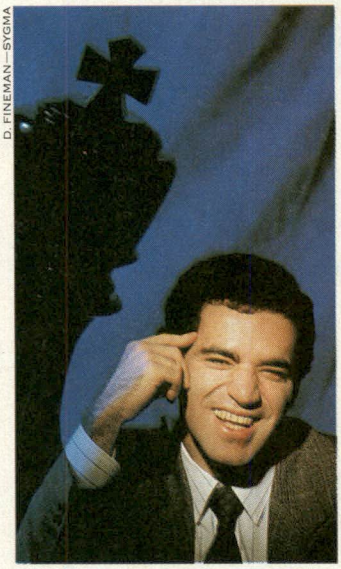
Not all the tennis excitement this week is taking place in Flushing Meadows, N.Y. Forgoing the sweaty action at the U.S. Open, 28 players are vying for their own title at a club outside Boston: the national men's 85-plus grass-court championship. Organizer and competitor **Jim Rogers** says the category was created for players who were having trouble keeping up with the 80-year-olds. "We still have the same shots. The only difference is that they can scramble around the court better than we can," explains Rogers, 89, who only got serious about the sport in his 40s.

STEVE LISS

Star War

The Star-Spangled Banner has received quite a beating this summer. First, Roseanne Barr drew fire for her screeching rendition; now Irish pop singer **Sinéad O'Connor** is feeling the heat for refusing to permit the national anthem before her New Jersey concert. Last week radio stations banned her records and veterans boycotted her shows. Saying she meant no disrespect, the singer argued that anthems have "nothing to do with music." That, in fact, was also Roseanne's problem.


HEINZ KLEUTMEIER—CAMERA 5


D. FINEMAN—SYGMA

No Match

Chess king **Gary Kasparov** isn't taking his position for granted. Training for next month's world championship in New York City, he's rounded up some diverse sparring partners. Last week the likes of Kurt Vonnegut and George Plimpton obliged the champ, who played six boards simultaneously. Said Plimpton: "At one point he looked at my board for perhaps a minute, which I thought was a triumph." But Kasparov, 27, prevailed. "It could hardly be called playing," he said. "It was a show more than a game."

The Newest Kids

They say that forming a singing group was all their idea, but when the time came to find a manager, promoter and chauffeur, the OSMOND BOYS knew where to turn: their dad Alan, 41, who as a member of the original Osmonds stirred up his share of teenage passion. Strutting their stuff on a 70-city tour (from left), David, 11; Douglas, 12; Michael, 14; and Nathan, 13, are grateful to the New Kids on the Block for re-creating an eager market for bubble-gum pop. But, says toothy-smiled Douglas, "we're trying to set our own image."

STAN MC BEAN

Chrysler Ranked Highest in Customer Satisfaction Among American Car Manufactur

DETROIT–A survey just released by J.D. Power and Associates, an independent research firm, shows that Chrysler has the highest customer satisfaction of any American car comp... The stud... known in the auto industry as CSI, or Customer Satisfaction Index, reflects owners' experiences with both car and dealer in the fir... 14 months of o... to mak... total mix... clear su... Chry... Fo...

1987

Chrysler Again Ranked Higher Than Ford or GM in Customer Satisfaction.

(Continued from Page A1)

second consecutive year, Chrysler outranked both Ford and GM in customer satisfaction with overall product quality and dealer service. A spokesman for the company was quoted as saying, "Frankly, we're not surprised at the outcome. When C... man Lee I... ...1983 th... what matters most to Ameri... Some 23,000 owners of do... cars reported on such cr... cern as problems du... customer hand... repair a... i...

1988

Chrysler Ranked Highest of Any Domestic Carmaker in Customer Satisfaction Again.

By LELAND ROSEMOND

For the third year in a row, Chrysler nudged out Ford and GM as the American carmaker with the highest levels of customer satisfaction. In a su... public today by J.D. Power a... one of the auto in... in... pendent... dealer's ability to fix problems on the first visit and number of repair proble... encountere... ... to carm... ...

1989

Again, Chrysler Ranked Highest in Customer Satisfaction of All American Car Manufacturers.

DETROIT–For an unprecedented fourth straight year, Chrysler outranked both Ford and General Motors in customer satisfaction, according to a study released today by the independent... testing firm of J.D. Power and A... ates. The report is based on... more than 25,000 o... purchased new... m... study, called "1987-1990 CSI: customer satisfaction with overall product quality and dealer service for 1986-1989 passenger cars," clearly demonstrates Chry... r's performance for the last four ... reveals where pro... ...with a gen...

1990

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Are Artists Godless Perverts?

In the battle over public funding, opponents seem to be winning

At the end of *Indecent Materials,* a pair of one-act plays linking homophobia to right-wing criticism of the National Endowment for the Arts, an actor from North Carolina steps out of character to vow that this year his state will unseat the NEA's foremost critic, Senator Jesse Helms. Despite that bravado, many cultural leaders fear that what started out as a skirmish against would-be censors is turning into an unwinnable war. After years of debate about whether public funding for the arts was growing fast enough, cultural institutions now worry whether the NEA will survive at all, at least on terms consistent with intellectual freedom. Says Yale Drama School professor David Chambers, a prominent director in nonprofit theaters: "The arts lobby has failed."

MARTHA SWOPE

Right under Jesse Helms' nose: reading *Indecent Materials*

For artists, a seeming skirmish turns into Armageddon.

The anti-NEA debate was ignited in June 1989 by a photo exhibition that included homosexually explicit work by the late Robert Mapplethorpe. As is made plain by *Indecent Materials,* which last week transferred from Durham, N.C., to New York City's Public Theater, the flash point for Helms was gay rights. The opening play, drawn from Helms' words, quotes him assailing "homosexuals who are trying to force their way into undeserved respectability."

But the assault from the right has expanded to target all sorts of dissident material touching on politics, religion and power relationships between the genders. Conservatives reject the argument that artists deserve aid because cutting-edge ideas lead to progress. Instead, the right has advanced the know-nothing notion that artists tend to be leftist, godless and sexually perverse and that public funding amounts to promoting an "antifamily agenda."

Sensible citizens may be able to laugh off the idea of depravity emanating from their civic orchestra, ballet or Shakespeare theater. But in a battle conducted chiefly in the media, all it takes is a couple of controversial recipients to overshadow thousands of uncontested ones. And in the overheated climate of current debate, attempts to weed out controversial recipients can poison relations between the NEA and its beneficiaries. Last week the endowment reaffirmed a decision to strip grants from four performance artists, all of whom deal with sexual issues, after they had been chosen by fellow creators. NEA Chairman John Frohnmayer asserted that their work would not "enhance public understanding and appreciation of the arts."

In addition, the NEA expanded on a detailed anti-obscenity pledge that recipients have been required to sign by setting up a process to investigate charges of obscenity from "any responsible source." At first blink, the procedure sounded so cumbersome and so fraught with potential for misuse by accusers seeking publicity that many in the arts said NEA money might no longer be worth having. Impresario Joseph Papp of the Public Theater, which spurned one $50,000 NEA grant and expects to reject another for $325,000, denounced the new procedure as "a kind of cultural vice squad with people ratting on one another."

The NEA's survival is scheduled for debate in the House in September or October, and pending proposals range from unrestricted reauthorization to outright extinction. The pork-barrel aspects of the agency—it funds many hundreds of institutions, large and small, in all 50 states—would seem to ensure its survival in some form. But Anne Murphy, executive director of the American Arts Alliance, seemingly speaks for much of the U.S. cultural leadership when she warns, "The endowment is bleeding to death." ***—By William A. Henry III. Reported by Janice C. Simpson/New York, with other bureaus***

Milestones

DENIED. Damage payments to **Eugene Hasenfus,** 49, *contra* courier who was jailed in Nicaragua after his plane was shot down in 1986; by a federal jury; in Miami. Hasenfus and his wife had sought to recover back pay and legal expenses from Southern Air Transport of Miami and Richard Secord, the retired Air Force general who helped supply the *contras.* The jury ruled that Hasenfus was well aware of the risks he faced.

AWARDED. To the family of **Michael Stewart,** who died after being forcibly detained by New York City transit police; $1.7 million; in Manhattan. In 1983, Stewart, 25, was arrested for scrawling graffiti in a subway, hog-tied and taken to a hospital, where he died 13 days later. The case, which prompted charges of racism and brutality, attracted nationwide attention.

ACQUITTED. Roberto Bryan, 43, 82nd Airborne Division sergeant charged by the Army with the murder of a Panamanian civilian during last December's invasion; by a military jury; at Fort Bragg, N.C. After a shoot-out at a roadblock, Bryan shot and killed a severely wounded man, claiming he was moving in a menacing way. "If you feel that your life is threatened," said Bryan, a 19-year Army veteran and a paratrooper, "take immediate action."

DIED. Stevie Ray Vaughan, 35, lightning-fast blues guitarist; in a helicopter crash that also killed the pilot and three members of guitarist Eric Clapton's entourage; in East Troy, Wis. After a concert, the helicopter took off in dense fog and smashed into a hillside. Vaughan won Grammy Awards for *Blues Explosion* and *In Step.*

DIED. Edwin O. Reischauer, 79, U.S. ambassador to Japan from 1961 to 1966 and noted East Asia scholar; in La Jolla, Calif. Born in Tokyo to missionary parents, Reischauer was a professor of Far Eastern languages at Harvard University and the author of a number of influential books on the relationships among the U.S., Japan and China when he was called to the diplomatic corps by President John F. Kennedy.

DIED. Sandy, 16, the mutt turned superstar who for six years delighted audiences at the Broadway smash musical *Annie;* of old age (he was 80 in human years); in Higganum, Conn. A mix of Airedale terrier and Irish Setter, he was bought from a humane society for $8 the day he was to be put down. As the pooch who befriends Annie, Sandy stayed with the show for its entire run. ■

The peach-orchard sequence: between first acknowledgment and final acceptance of death

Night Tales, Magically Told

AKIRA KUROSAWA'S DREAMS *Directed and Written by Akira Kurosawa*

By RICHARD SCHICKEL

Death has always haunted Akira Kurosawa. How we face it and evade it, how we sometimes embrace it, and how we are sometimes granted temporary reprieves from it—these are matters he has taken up in almost all his movies, no matter what their other preoccupations.

That death therefore haunts his *Dreams,* his 28th film, is not surprising. In the first of these eight short narratives—all, according to the great director, drawn from incidents and images of his sleep—a child, obviously the young Kurosawa, is introduced to the idea of mortality. On a day both sunny and rainy, his mother warns him not to leave the house. In such weather foxes hold their weddings, and they take a terrible vengeance on those who spy on their secret ceremonies. Of course, the boy must see this woodland spectacle (wonderfully realized by masked dancers) and is himself seen. His mother then tells him that if he hopes to live, he must beg the creatures' forgiveness. The episode closes with the child in search of the rainbow, under which the animals are said to live.

In the final episode, a lovely pastoral set in a village of water mills, a 103-year-old man explains the secret of longevity to the figure (Akira Terao) who is Kurosawa's surrogate in six of these tales. In essence, he tells him to live in harmony with nature, avoiding the tempting conveniences of technology. But the night is so dark without electricity, the young man complains. "It's *supposed* to be dark," says the old fellow, who is last seen benignly dancing in a funeral procession.

Between first acknowledgment of mortality and this final acceptance of it, we see death attempting to lure a mountaineer lost in a blizzard; we share the guilt of an army officer—the only member of his unit to survive the war—as he confronts the ghosts of his fallen comrades; we literally enter Van Gogh's paintings and find the artist (played by director Martin Scorsese) indifferent to death, obsessed with capturing nature's true spirit. In one of Kurosawa's most magically told tales, a child is forced to confront his hidden feelings about his family's carelessness in cutting down a peach orchard. It prefigures two later dreams (rather conventionally apocalyptic, alas), about an atomic accident and about postnuclear life, in which the human family heedlessly destroys its entire world.

Kurosawa's delicate but insistent linkage of individual fate with the world's fate permits *Dreams* to avoid solipsism and grants it a certain cautionary urgency. What really compels one's attention, however, is not what he is saying but how he is saying it. At 80, Kurosawa, like many an older artist before him, is impatient with artifice; he has long since proved himself a master of complex narrative. Now he wants to tell what he knows as simply as possible. There are no wild juxtapositions of the creatures of his sleeping world with the images of his waking world. They are, after all, products of the same sensibility. The rhythms of his editing and his staging are serene—hypnotically so. His is not to shock us into surrendering to his visions but to seduce our consent to them. And this he does in one of the most lucid dreamworks ever placed on film. ■

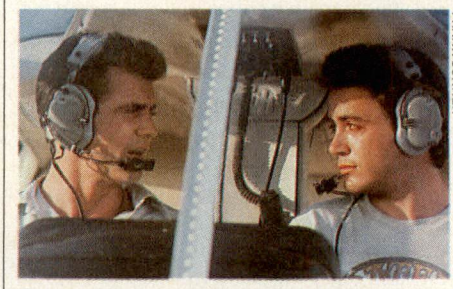
Taking Flak

Is Air America bad history?

Talk about negative reviews. First *Air America,* the Mel Gibson–goes-gonzo-in-Indochina summer spectacular, was generally panned by the critics. Then last week it was even more savagely attacked by journalists and authors in the New York *Times* and the *Wall Street Journal.* At issue was the real Air America, the CIA-run airline that ferried arms and supplies to anti-communist forces in Indochina during the Vietnam War. As flippantly depicted in the movie, the airline serves as a front for heroin smuggling condoned by the CIA in order to fund the U.S.'s secret war in Laos. This version, the articles point out, does violence not only to the many props that are blown up, but also to the real-life pilots of Air America and to the historical record.

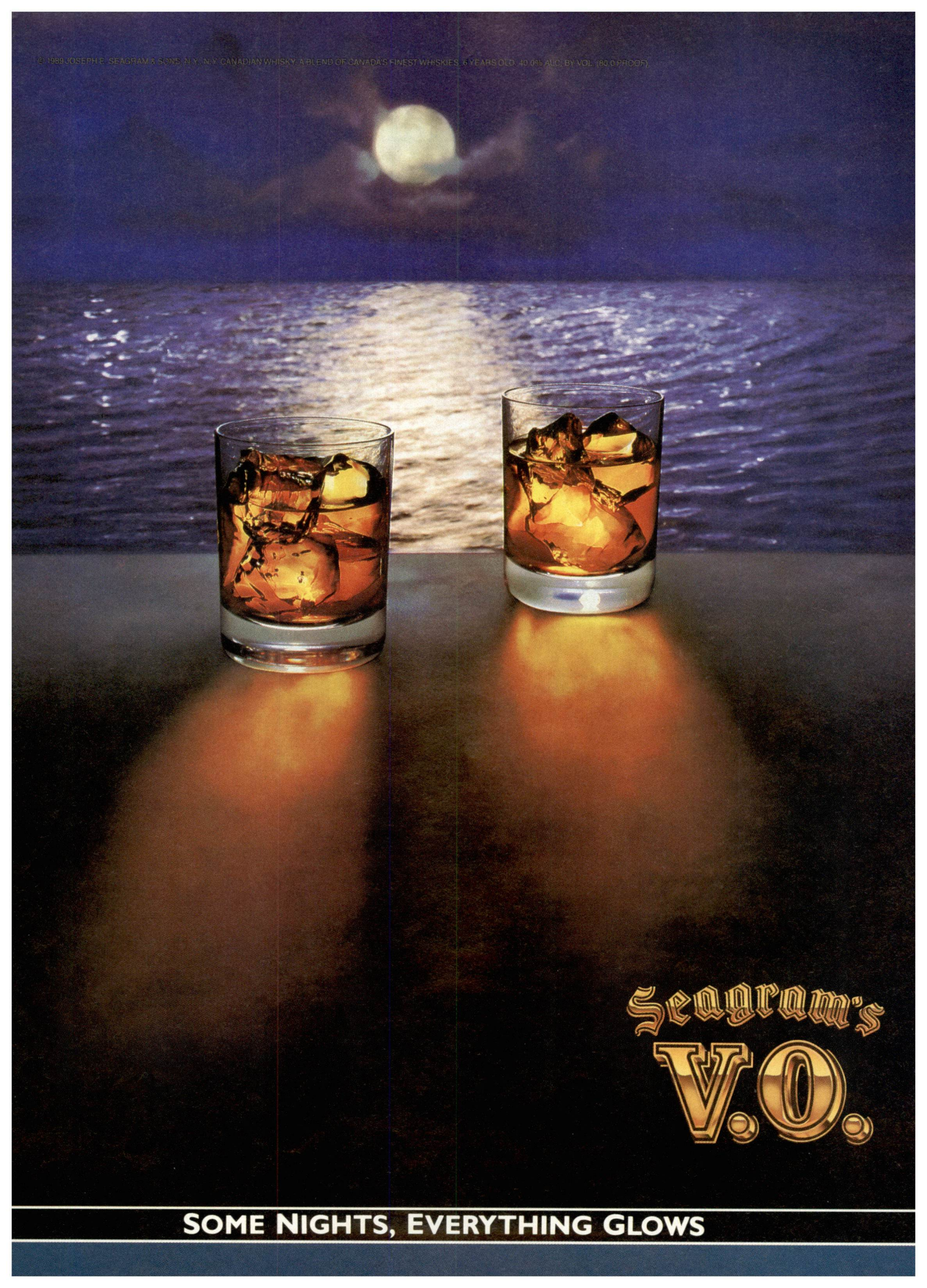
The *Times* piece, written by Christopher Robbins, author of the book on which the movie was based, noted that "the CIA did not lack funds for its war in Laos, and the U.S. embassy in Vientiane went to considerable lengths to control and curtail the [drug] trade." In the *Journal,* publisher Peter Kann, who was a reporter in Vietnam, and Phillip Jennings, a former Air America pilot, called the movie a "political obscenity" that smears Air America pilots as buffoons. "This drivel is scripted with all the subtlety of an *Animal House* cast reciting passages from Jane Fonda's Hanoi diaries."

Air America screenwriter John Eskow counters that Robbins is "morally despicable," having lost a bid to be credited as co-author of the screenplay. Says Eskow: "The book wasn't interesting enough to serve as the movie's sole springboard. I had to do other research. I spoke to Air America pilots here and went to Thailand." Besides, he argues, a screenplay "is a creative act. It is not a documentary, and it doesn't advertise itself that way."



Gonzo: Gibson and co-star Robert Downey Jr.

For better or worse, however, movies help shape our view of history; those that distort sensitive issues, as this one does, do a disservice that cannot be justified by calling it creative. There is a difference between artistic license and simply license. ■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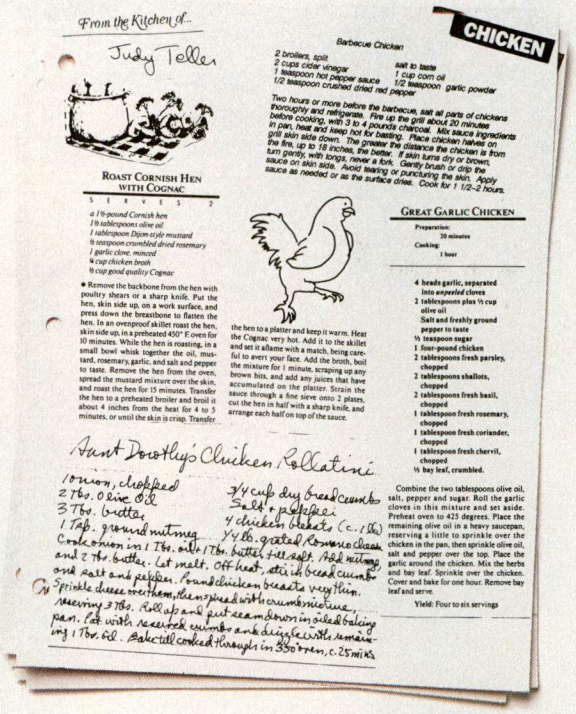

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STEVE LISS

At home today in Massachusetts: not measuring up, she measured out the booze

Public Life, Private Trouble

NOW YOU KNOW *by Kitty Dukakis with Jane Scovell*
Simon & Schuster; 315 pages; $19.95

By NANCY GIBBS

Readers eager to forget the dispiriting 1988 Bush-Dukakis race might be put off by the dust jacket of this book. It promises that would-be First Lady Kitty Dukakis will take us "behind the scenes to show us what it was *really* like on the national campaign trail." But never fear. She does nothing of the kind. The closing weeks of the campaign—the last rallies, the absence of her preferred hairdresser on election night, the finale, the concession speeches—occupy two pages, roughly half the space devoted to a subsequent river-rafting trip during which Kitty learned that "there are healthy and unhealthy ways of being alone."

Now You Know is largely about all the unhealthy things Kitty did while she was alone—first with diet pills, later with alcohol. As she makes clear in a preface, even at the time she was completing these memoirs she was in and out of Edgehill Newport hospital, Four Winds hospital and the emergency room of the Brigham and Women's Hospital, to which she was rushed after ingesting rubbing alcohol. By the time the book was nearly finished, so was Kitty; home for Christmas in 1989, she was drinking nail polish remover, after-shave, hair spray, anything she could get her hands on.

The chronology is important because it helps explain the shallow intimacy of most of the book. Not until the end does she come to grips with her capacity for denial and deception. The earlier parts are filled with foamy self-analysis. "I lived under a Damoclean sword of accusation," she writes of her childhood, "and at any given moment it could drop and cut off, if not my head, my confidence." During the primaries, she says, "I couldn't measure up, so I measured out the booze. My low opinion of myself reached a new high."

The source of her troubles, she suggests, was her imperious mother, who was herself addicted to diet pills. When Kitty was 18, she learned that her mother had been an adopted child. Within months of this revelation, Kitty too was on diet pills; she sought to escape her mother's influence by marrying a high school beau, despite the "total absence of compatibility." They divorced four years later.

Her account of life with Michael is placid by comparison. Even the section on the 1988 campaign is an album of wardrobe decisions, packing tips and notes on sprays that remove wrinkles from clothing. Through it all Michael remains a shadowy figure: always decent, always supportive, often maligned. "He doesn't show his emotions easily, but, dammit," she swears, showing her emotions easily, "he has them. I wouldn't be married to him if he didn't!"

In the third section of the book, devoted to the months after the election, the glibness recedes. Kitty writes of waiting for Michael to leave in the morning, then breaking out the vodka, unplugging the phone, drawing the blinds and passing out. She drank the dregs from the wineglasses after parties and gulped peanut butter to disguise the smell. Her isolation was matched only by her shame: she had often been held up to the public as a model of a recovered addict. In the final pages, as she describes losing everything, Kitty finds her strongest voice. By the end, she'd win every vote for courage and all hopes for a victory. ■

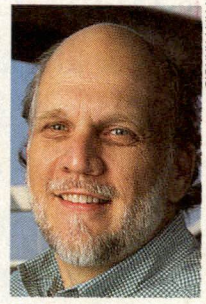
Out of the Blue

NATURAL SELECTION
by Frederick Barthelme
Viking; 212 pages; $18.95

Not yet 40, and Peter Wexler is a crank. It has something to do with his belief that everybody is a liar or, as he puts it, "smug and self-satisfied and just close enough to the facts to get by." When young Holden Caulfield complained about phonies, it had the force of discovery. Wexler's grownup bitching sounds more than a little gratuitous. Wife Lily breaks the news sweetly: "These aren't great complaints, you know. They're tired, and small, and self-serving, they're vague—if I weren't wife-of-wives I'm not certain I'd be charmed."

Perhaps not by Wexler, but certainly by Frederick Barthelme's latest poke at the pale-faced middle class. Barthelme has a laconic style suited to describing low-grade depression, a bland Houston subdivision, and the delicate condition of a marriage. It is as if he had before him the psychological equivalent of paint chips representing the subtle states of being blue.

Peter and Lily are cool about sex, money and raising their nine-year-old son Charles. He can have a hamster only if, says his father, "you'll eat it when you get tired of it." Peter loves Lily but decides he cannot live at home. He rents a house 10 miles away so that "I won't have to feel bad around here."


PAM FRANCIS

Barthelme

The luxury of separation brings the Wexlers closer together. They agree to meet for family meals and outings without using dumb phrases like "my own space" or "quality time." This couple is about as normal as it gets these days is what Barthelme seems to be saying. For comparison there are Lily's brother Ray and his girlfriend Judy, whose idea of a reunion is to fornicate in the driveway.

The semidetached family's need for separate housing may be good news for furniture stores but presents problems for the domestic novel, even one as smartly written as *Natural Selection.* People living together ensure tension and expectation. Apart, there is a sense of exhaustion. Barthelme gets the conjugal entropy just right, but, by definition, he is at a dead end. His resolution is to spring an abrupt and wrenching ending better suited for a short story than a novel. It involves a car chase and could use a warning: sudden stops can cause whiplash. —**By R.Z. Sheppard**

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ILLUSTRATION FOR TIME BY PODICA PRATO

With a boom-or-bust mentality gripping the book industry, publishers are nervously fielding their entries for the fall's best-seller sweepstakes. Some name-brand authors can't miss. Others, even those with high critical marks, will find their efforts in remainder bins. Art, like life, isn't fair. Here is a selection of sure things and possible surprises for the coming season.

BEST SELLERS: Lady Boss by Jackie Collins—The latest Hollywood antics of a daughter to the Mob. **The First Man in Rome** by Colleen McCullough—110 B.C. and all that. **Four Past Midnight** by Stephen King—Novellas from the horror master. **Memories of Midnight** by Sidney Sheldon—Another plot-till-you-plotz spy novel. **Surrender the Pink** by Carrie Fisher—*Star Wars,* WordStar, it all comes easy to this actress-author. **The Plains of Passage** by Jean Auel—Another big woolly mammoth from the queen of ice-age romance.

BEST THRILLS: Jurassic Park by Michael Crichton—Things go awry when scientists populate a theme park with bioengineered dinosaurs. **The Power** by James Mills—From the author of *The Panic in Needle Park.* **Spy Sinker** by Len Deighton—A plot to bring down East Germany: good idea, but . . .

BELLE FICTION: In Praise of the Stepmother by Mario Vargas Llosa—Would you believe an erotic family novel? **The General in His Labyrinth** by Gabriel García Márquez—The autumn of Simón Bolívar. **Hocus Pocus** by Kurt Vonnegut—Meditations of a Vietnam vet in 2001. **Buffalo Girls** by Larry McMurtry—Calamity Jane, Bill Cody and Sitting Bull whoop it up. **Animal Dreams** by Barbara Kingsolver—Environmental catastrophe meets Native American mythology. **The Final Club** by Geoffrey Wolff—Class warfare at Princeton during the 1950s. **Philadelphia Fire** by John Edgar Wideman—Fictional characters caught up in the factual bombing of Move headquarters by Philadelphia police in 1985. **Age of Iron** by J.M. Coetzee—South Africa, with cancer as a metaphor for apartheid. **Rabbit at Rest** by John Updike—Harry Angstrom hops offstage, perhaps to meet his maker. **The Further Inquiry** by Ken Kesey—The head Prankster rerolls the legendary cross-country bus trip. **Tender** by Mark Childress—For the character Leroy Kirby, read Elvis Presley. **Orrie's Story** by Thomas Berger—The author of *Little Big Man* retells the Greek *Oresteia* as a small-town tragedy.

LEADING LIVES: Casey by Joseph E. Persico—The secrets of businessman-spook William. **The Colonel** by Godfrey Hodgson—Henry Stimson's life and active service. **Gorbachev** by Gail Sheehy—From playpen to *perestroika.* What a guy! **Ronald Reagan: An American Life**—Now he remembers! **In All His Glory: William S. Paley** by Sally Bedell Smith—The prime time of TV's most glamorous tycoon. **A Life of Picasso** by John Richardson—Volume I, 1881 to 1906, by the artist's scholarly friend. **Blown Away** by A.E. Hotchner—Drugs, death and the Rolling Stones. **A Hole in the World** by Richard Rhodes—A distinguished writer's autobiography about his early life as an orphan.

BEST REPORTAGE: In a Child's Name by Peter Maas—A steamy case of wife murder and child custody pitting two American worlds. **Pledging Allegiance** by Sidney Blumenthal—The 1988 campaign and the cold war that we don't have to kick around anymore. **See How They Run** by Paul Taylor—From the reporter who asked Gary Hart, "Have you ever committed adultery?" **Under God** by Garry Wills—Why church and state can't be clearly separated. **The Polk Conspiracy** by Kati Marton—Who killed CBS correspondent George Polk?

BEST BUCKLEYS: Gratitude by William F. Buckley Jr.—An argument for universal, nonmilitary national service. **Tucker's Last Stand** by William F. Buckley Jr.—Meantime, more secret service by spy-hero Blackford Oakes. **Wet Work** by Christopher Buckley—High jinks on the trail of the drug lords. **Statute of Limitations** by John Buckley—The White House, pot smoking and blackmail. **Panama** by Kevin (no relation) Buckley—Noriega, the CIA and the invasion that couldn't shoot straight.

—By R.Z. Sheppard

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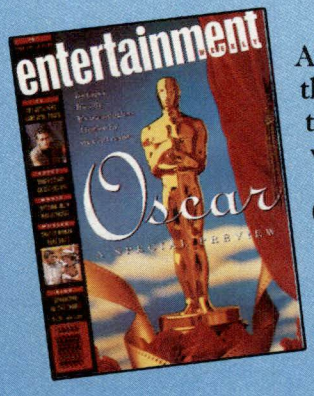

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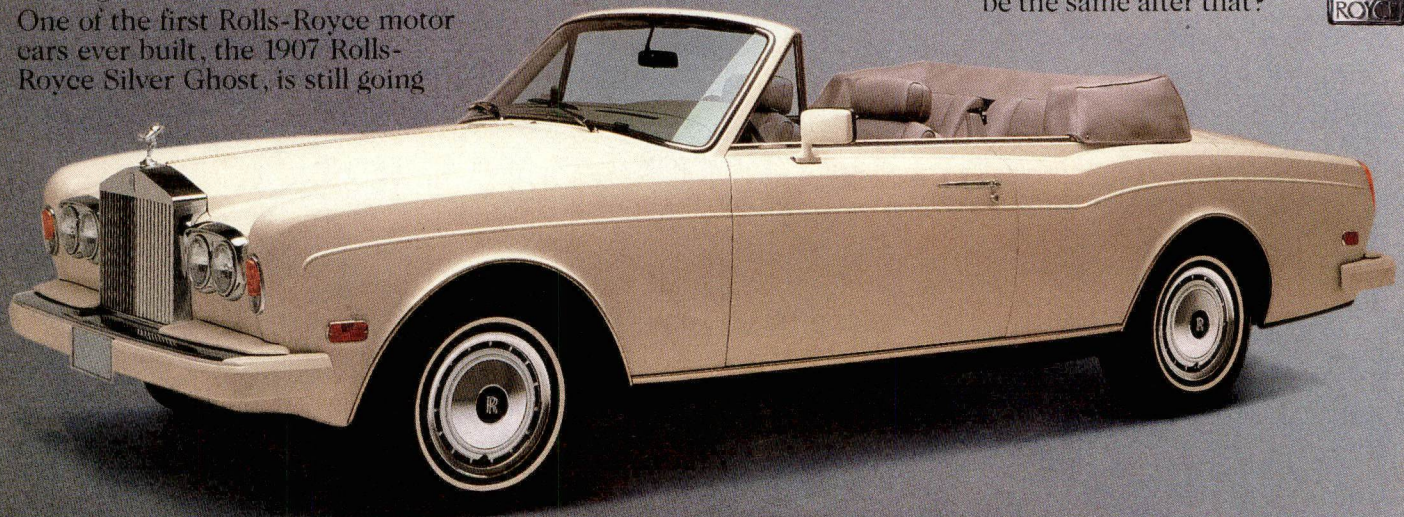

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Real Gone Neutrinos

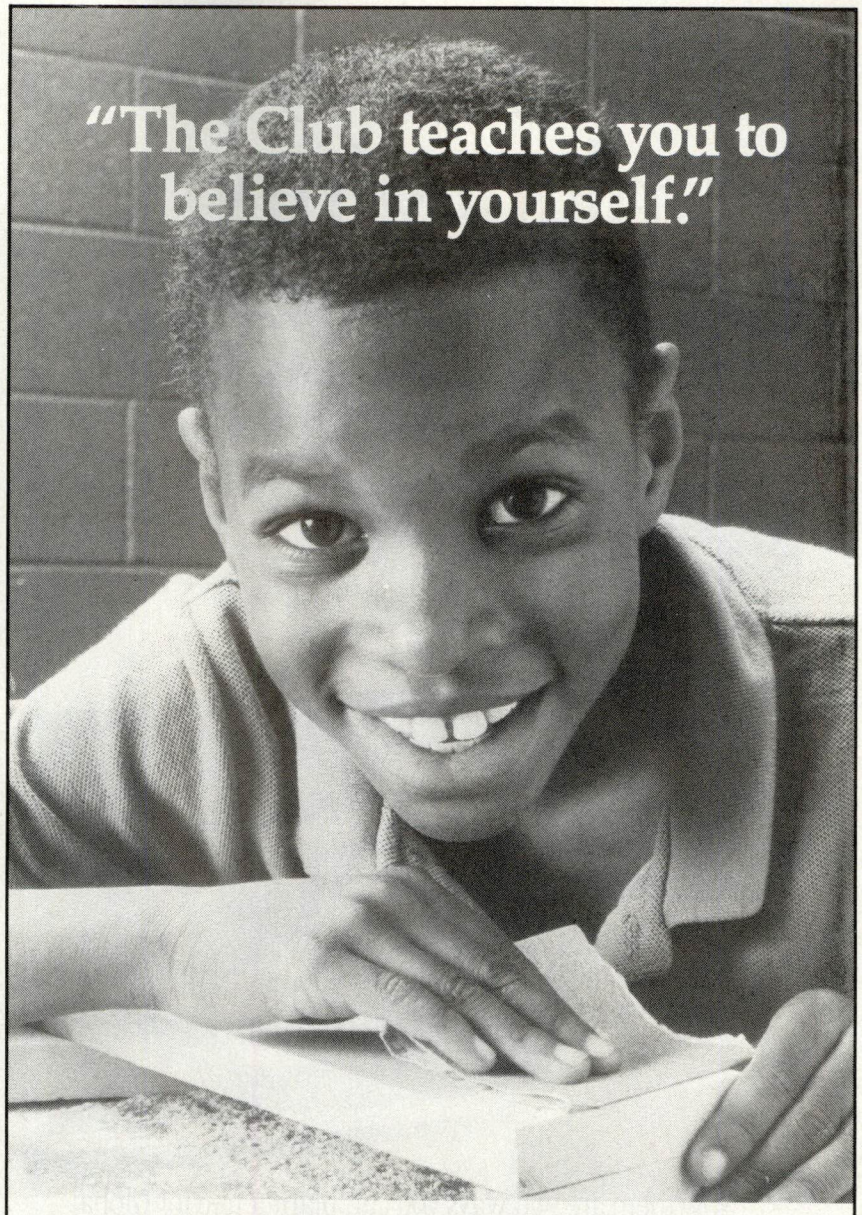
An experiment in the U.S.S.R. shakes up the world of physics

Neutrinos are the phantoms of the subatomic world. They seem to have no mass, may travel at the speed of light and are virtually impossible to detect. According to the standard theories of physics, these exotic particles are produced by various nuclear reactions. Quadrillions of neutrinos from the sun bombard the earth every second, yet most of them pass right through the planet without causing so much as a ripple.

Since 1968 scientists have been monitoring huge detectors for signs of these fleeting visitors from the sun. But so far, the results have been both disappointing and intriguing: the experiments have detected far fewer neutrinos than solar models predicted. Scientists were especially baffled by a recent report from a Soviet-American research team that set up a detector to monitor neutrinos emitted by the fusion of hydrogen atoms, the sun's main reaction. After four months of operation near the Soviet town of Baksan, the experiment has yet to turn up a single solar neutrino.

The case of the missing solar neutrinos has stirred growing excitement in the physics world. There are three possibilities: the Baksan experiment is wildly wrong, scientists don't understand the sun as well as they thought they did, or scientists have underestimated the elusiveness of the neutrino. The answer to the mystery could have profound implications for physicists' understanding of the universe. Two eminent theorists, John Bahcall of the Institute for Advanced Study in Princeton, N.J., and Cornell University's Hans Bethe have co-authored a paper that elaborates on an intriguing solution to the puzzle: neutrinos escape detection by changing from one form into another. Says Bahcall: "Nature may be smarter than we thought."

Experimental evidence indicates that neutrinos come in three varieties: the electron neutrino, the muon neutrino and the tau neutrino. Solar fusion gives off the electron type. Bahcall and Bethe speculate that electron neutrinos change into the muon or tau versions somewhere between the sun and Earth. "It's as if they started out sweet," marvels Bethe, who won the Nobel Prize in 1967 for explaining how nuclear fusion powers the sun, "and then suddenly turned salty." Thus the Baksan experiment may have come up empty-handed because it was not de-



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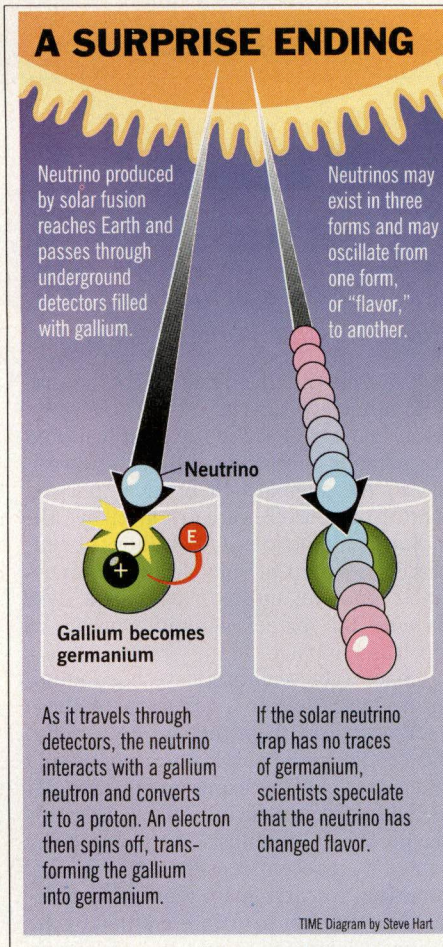

signed to detect muon or tau neutrinos.

Finding any kind of neutrino is a neat trick. The Baksan detector consists of four tanks filled with 30 tons of the element gallium, which liquefies at about room temperature. If a solar neutrino of the right energy interacts with the material in the tanks, a feat of atomic alchemy will transmute some of the gallium into germanium, another metallic element.

First scientists must eliminate other sources of radiation that may trigger false signals in the gallium. (To shield the experiment from cosmic rays, the detectors are installed in an underground tunnel, beneath a mile of rock.) About the only thing harder than proving that solar neutrinos passed through the gallium-filled tanks is proving that they didn't.

If Bahcall and Bethe are right, neutrinos have long been misunderstood. For example, if one kind of neutrino can change into another, then these apparently massless particles must possess at least a tiny mass. That raises the possibility that the heaviest neutrinos might be weighty enough to account for the "dark matter" that is believed to make up 90% of the known universe. The composition of that matter is one of the great unanswered questions of physics. But before that theory can be pursued, the results of the Baksan experiment must be confirmed, so another gallium neutrino trap is starting up deep beneath the Italian Alps. —**By J. Madeleine Nash/Chicago**

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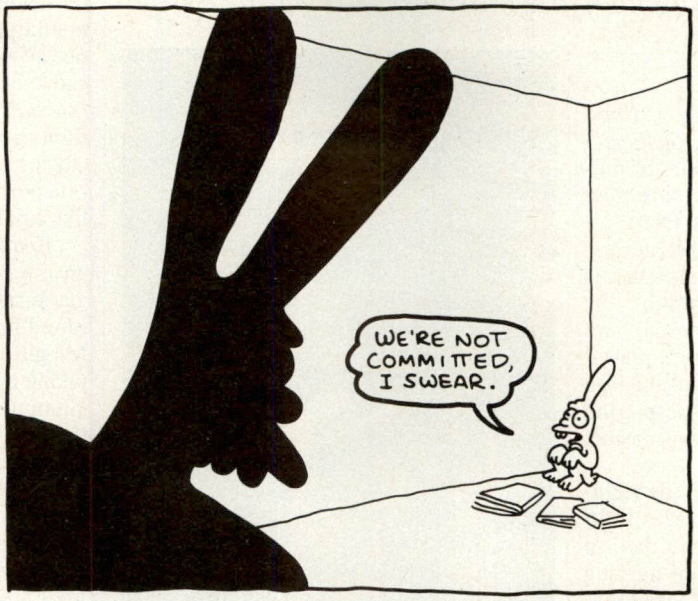

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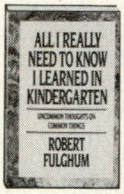

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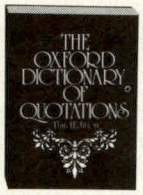

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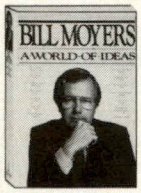

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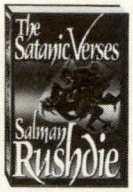

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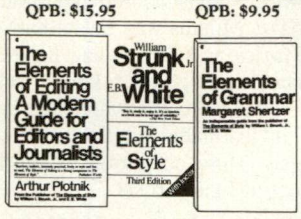

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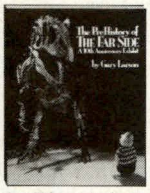

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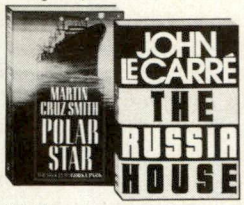

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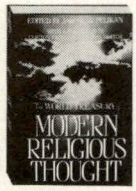

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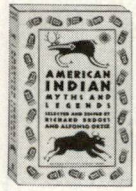

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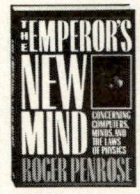

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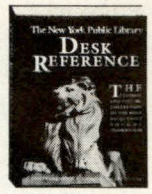

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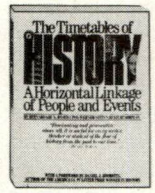

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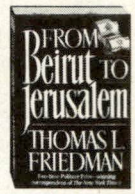

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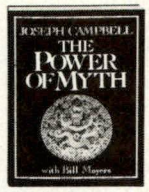

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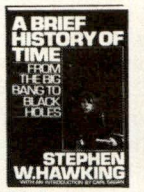

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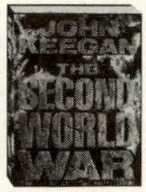

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An Epitaph Comes Back to Life

Charles Mingus' long-forgotten jazz masterwork is getting its due

By JOHN ELSON

It is the longest and most richly textured of jazz compositions—a suite of 18 sections comprising nearly 4,000 bars of music, with a performance time of more than two hours. By jazz standards, the forces required to perform it are almost Mahlerian: a 31-member band with full complements of brass and saxes, plus such normally nonswinging instruments as piccolo and contrabass clarinet. The work was played once in the composer's lifetime, but in a truncated form that left him despairing and furious. The score was put aside, abandoned.

This botched masterwork is titled *Epitaph,* and its composer was Charles Mingus, the protean jazz bassist who died in 1979 at age 56. "There has been nothing like it in jazz, before or since," says Gunther Schuller, the multifaceted composer, conductor and musicologist who edited the score, which was discovered among Mingus' papers after his death. Schuller directed a proper world premiere of the work at New York City's Lincoln Center last year. (CBS has issued a recording of the performance.) He was at the podium last week for another Manhattan performance, which was to be reprised a few days later at Tanglewood and at the Chicago jazz festival. Sue Mingus, the composer's widow and flame keeper, is trying to schedule performances in Europe next spring.

Schuller calls *Epitaph* "a musical summary of one of the great jazz composers of the century, from the sweet and gentle Mingus to the angry Mingus." In style, *Epitaph* is characteristic of his orchestral compositions: echoes of gospel songs and his acknowledged master, Duke Ellington; abrupt rhythmic shifts; fleeting lyrical passages (often scored for piano or vibes) that unexpectedly explode into dissonant choruses of yawps and growls; high-register solos underscored by ostinato refrains on basses and trombones. Some of the sections allow for considerable improvisation: a full-throttle version of *Better Get It in Your Soul*—one of Mingus' best-known tunes, which he recorded with various groups—is jammed by a combo playing in front of the big band. Other parts are rigidly scored, almost atonal in bleakness and with little jazz feeling.

Mingus specified most of the musicians he wanted to play *Epitaph.* Two were at Lincoln Center last week: Eddie Bert on trombone and Don Butterfield on tuba. For the performers, keeping *Epitaph* alive has been a labor of love, although not without its complications. Five or six sections of the work, Schuller contends, are as difficult as anything in the classical repertory, comparable in density to Charles Ives' *Fourth Symphony* or Stravinsky's *Rite of Spring.* "These parts are so complex contrapuntally," says Schuller, "that musicians used to conventional jazz expression are just overwhelmed. It leaves them huffing and puffing."

Mingus took meticulous care with the orchestrations, and *Epitaph,* as Schuller measures it, was "98% complete." Nonetheless, reconstructing the score involved some musical cryptoanalysis by Schuller and his associate, Andrew Homzy. Phrasing and tempi had to be established, and the endings of several sections were fragmentary, reflecting Mingus' common practice of working out finales with his musicians at rehearsals. One section called *Interlude (The Underdog Rising)* was in such chaotic shape that Schuller spent days cutting the unplayable score into 40 separate parts and then piecing it back together like a picture puzzle.

Epitaph's initial failure to find an audience was one of many frustrations in Mingus' turmoil-strewn life. Born in Arizona but raised in Watts, Los Angeles' black ghetto, Mingus studied trombone and cello before taking up the bass. As a member of Lionel Hampton's band in the '40s, Mingus revolutionized the way jazz bass was played with his crisp, lightning-fast solos. Performances with the likes of Charlie Parker, Miles Davis and Bud Powell established him as a master of modern jazz. Mingus was Falstaffian in his lusts and furies, as well as in size: he once fired a musician onstage for taking a lackluster solo, frequently chided audiences for inattention and justifiably railed against pop music's largely white corporate establishment for cheating black artists.

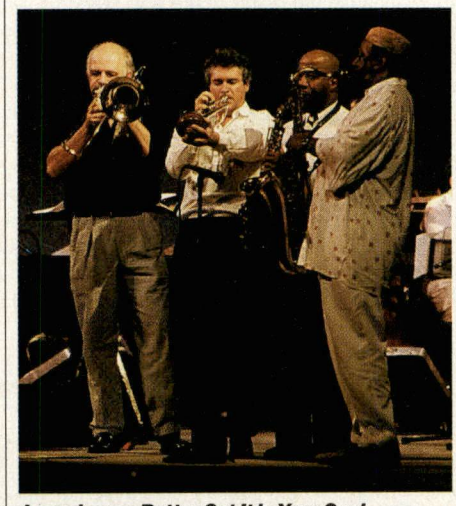
His contempt for the industry was undoubtedly heightened by his experience with *Epitaph,* on which he worked sporadically for nearly 30 years. In 1962 United Artists agreed to sponsor a performance at New York City's Town Hall. But the concert date was abruptly advanced by a month, thereby cutting drastically into Mingus' composing and rehearsal time, and the record company allowed him only enough money to hire about two-thirds of the ensemble his score called for. As a final indignity, the Town Hall stagehands, unprepared for overtime, brought down the curtain while the band was still playing. Only two tracks from that concert were ever released, on a record over which the composer had no control.

Mingus gave up on *Epitaph* after that fiasco, although he reworked several of its themes for combo performances. Schuller believes the entire suite fully deserves a second life and a wider audience. More than just an apotheosis of Mingus the composer, Schuller argues, *Epitaph* is a "prophetic force" that "goes beyond Ellington in suggesting a solution to the problem of extended form in jazz. Some jazz musicians will argue that even thinking of 'extended form' is Eurocentric—'Why do we need it?' they ask—but *Epitaph* is clearly an analog to the great classical forms."

"My music," Mingus once wrote, "is evidence of my soul's will to live." *Epitaph* is strong proof that his musical spirit is still blowing strong. ■

DAVID REDFERN—RETNA

The composer in 1979: prophetic force



TED THAI

Jamming on *Better Get It in Your Soul*

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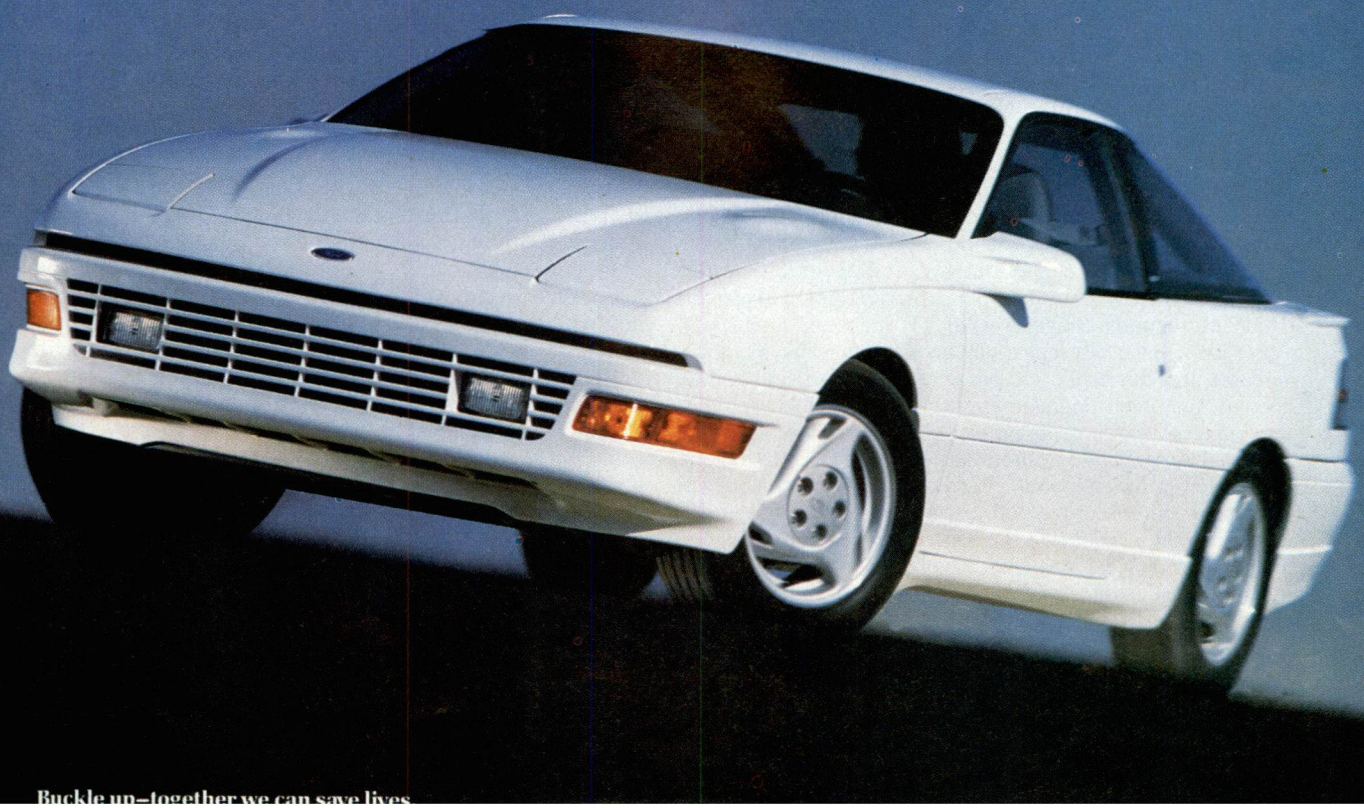

Buckle up—together we can save lives

Essay

Otto Friedrich

The Case Against Going to War

It is hard to remember a time when such influential American opinion molders were so frantically demanding that the U.S. go to war, and the sooner the better. "The ultimate goal now," writes A.M. Rosenthal, columnist and former executive editor of the New York *Times,* "has to be the elimination of the incurably murderous Baghdad dictatorship by Western . . . economic and military reprisals." His fellow columnist at the *Times,* William Safire, even offers a game plan: "Our declared-war strategy should be to (1) suppress Iraqi air defenses; (2) take out war production at the 26 key targets; (3) launch a three-front land war at the Turkish, Syrian and Kuwaiti borders . . . Our great danger is delay." A *Wall Street Journal* editorial writer daydreams: "If we take Baghdad and install a MacArthur regency, that is the optimum."

Will such people never learn? The scenarios for war never do justice to the real thing, which is far more horrific than pundits imagine. A war against Iraq would not be like attacking Grenada or Panama. It would almost certainly involve hundreds of thousands of people dying, soldiers and civilians alike. Generals like to talk of "surgical strikes," but surgical strikes usually hit the wrong targets—like the misguided air raid on Libya in 1986 that wrecked the French embassy and killed Colonel Gaddafi's daughter.

ILLUSTRATION FOR TIME BY CARY HENRIE

Aside from all the bloodshed, wars waste vast quantities of money—which this government hasn't got. Just preparing the intervention to protect allegedly threatened Saudi Arabia is costing about $46 million a day (and has just about killed all hope of a post–cold war peace dividend). So far, the valiant resistance to higher oil prices has substantially increased the price of oil, and an actual war with Iraq would undoubtedly increase it a great deal more. The impending recession would deepen and spread around the world. So how is President Bush, who can't even keep the budget deficit much under $150 billion (not to mention the S&L disaster), going to pay for all that? More fund raising among the Germans and Japanese?

President Bush has repeatedly declared that his goal is to overcome Iraq by economic pressure, as authorized by the U.N., but the bomb-Baghdad enthusiasts generally base their more aggressive arguments on two kinds of speculation. The first is that Americans like short battles but don't have the endurance for protracted conflicts (remember Vietnam). That may be true, but it seems a poor excuse for rushing into an attack on Iraq. More serious is the concern that Saddam Hussein might acquire nuclear weapons, a danger that the Israelis offered as the justification for their 1981 air raid on an Iraqi nuclear plant. It is worth emphasizing, though, that Iraq does not now have a nuclear weapon. Western intelligence agencies estimate that Saddam could build one in something like five years. A nuclear-armed Iraq is a scary possibility, but is it beyond the mind of man to try negotiating the creation of an internationally inspected nuclear-free zone throughout the Middle East? If so, and if the Israelis insist on their right to be the only nuclear power in the region, then they can probably be expected to deal unilaterally with any Iraqi attempt to join the nuclear club—with unforeseeable consequences. But all these speculations hardly justify a U.S. pre-emptive strike now.

It is not to be denied that Saddam is a brutal dictator, already responsible for many deaths. But that does not make him either irrational or the incarnation of human evil. There are many people throughout the Arab world who regard him as a hero standing up to the imperialist West. And while Washington announces that the Iraq-Kuwait conflict should have been negotiated and that nothing justifies invading another country, we seem to have forgotten that President Bush sent 24,000 U.S. troops to invade Panama just eight months ago in violation of several treaties. Although Bush offered various legal pretexts for his very understandable wish to get rid of the loathsome General Noriega, the U.N. General Assembly condemned the U.S. aggression by a vote of 75 to 20 (with 39 abstentions). Moral preachings wear a little thin here. What country indeed has not used force in recent years to protect what it considered its interests? Britain in the Falklands? France in northern Africa? The Soviets in Afghanistan? Israel in Lebanon?

Though the conventional wisdom regards Iraq's seizure of Kuwait as purely a demonstration of Saddam's wickedness, there are extenuating circumstances. Since the map of the Middle East was largely drawn by the European powers that had defeated the Ottoman Empire in World War I, the British arbitrarily created a kingdom of Iraq but maintained their separate protectorate over Kuwait. Iraq never accepted Kuwaiti sovereignty, even tried more than once to recapture the territory, but the main try was beaten back by the British. In the recent quarrel, Saddam accused Kuwait of stealing Iraqi oil by drilling at a slant into disputed oil fields. Kuwait's semisecret violation of OPEC production agreements also helped drive down the price of oil. This was fine for American motorists, but it deprived Iraq of badly needed funds. Such conflicts have traditionally been regarded as fairly legitimate grounds for war—the U.S. acquired California in 1846 on thinner pretexts.

Saddam miscalculated in thinking the rest of the world would not react so swiftly and vehemently against his seizure of Kuwait. But once he had made his move, all his supposedly heinous next moves seem perfectly understandable. If taking hostages would help fend off threatened U.S. air raids, why not? And to show they are not being harmed, why not exhibit them on TV? And so on.

Bush and Saddam have both made compromise difficult by stating their demands in the most extreme terms. Saddam not only annexes Kuwait but actually changes its name. Bush intimates that he may not be satisfied even by the restoration of the emirate to its opulent emirs. Both sides suggest that compromise is cowardly, not negotiable. It is obvious, however, that compromise is the only alternative to a disastrous war. ■

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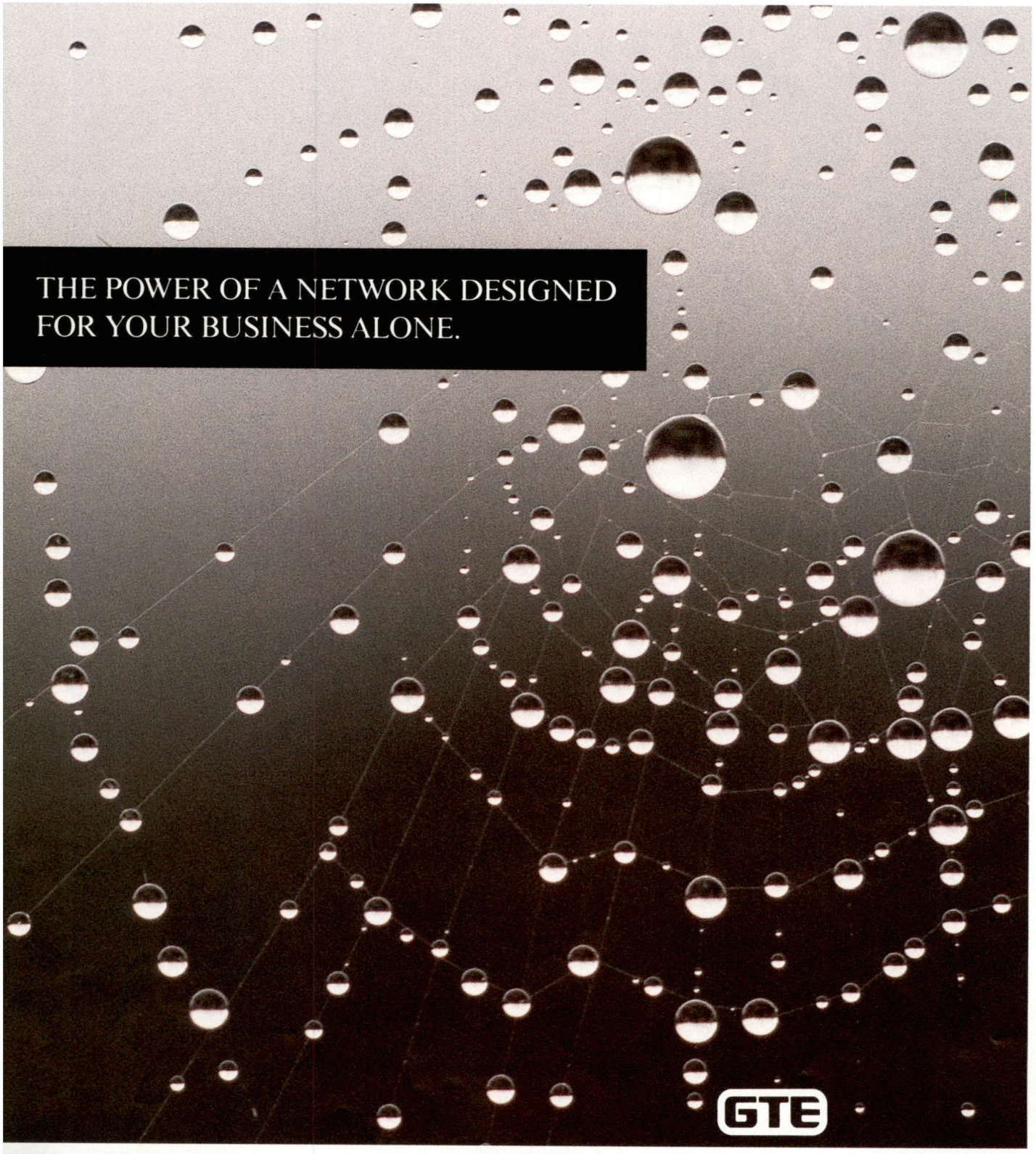

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