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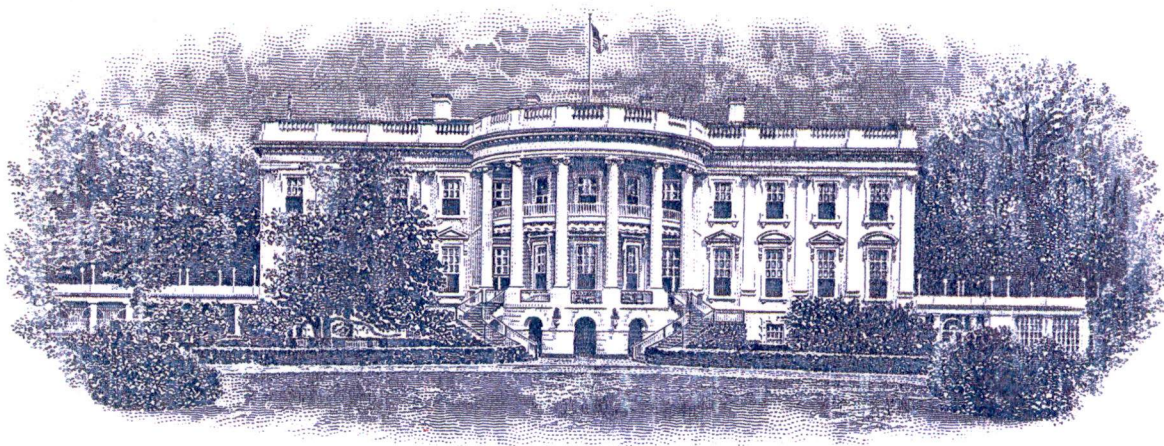
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GENERAL BRENT SCOWCROFT



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PROGRAM TO "ABC NEWS' THIS WEEK WITH DAVID BRINKLEY."

ABC NEWS

THIS WEEK WITH DAVID BRINKLEY

Sunday, January 5, 1992

TOPIC: The President's Asia Trip: Foreign or Domestic Policy?

GUESTS: BRENT SCOWCROFT
Assistant to the President for National
Security Affairs

JOSEPH GORMAN
Chairman and CEO, TRW, Inc.

CLYDE PRESTOWITZ
President, Economic Strategy Institute

YOSHI TSURUMI
Professor of International Business
Baruch College, City University of New York

INTERVIEWED BY: David Brinkley - ABC News

Sam Donaldson - ABC News

George Will - ABC News

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MR. BRINKLEY: Professor Tsurumi and Mr. Prestowitz, thank you for coming. Pleased to have you with us. Here in the studio with us are George Will and Sam Donaldson, both of ABC News. Now, Professor, I believe you have called the president's trip to Japan grandstanding.

MR. TSURUMI: Well, it is. As even The Economist, the English magazine, pointed out, it is a silly dog and pony show for American voters in the election year, as has been stated, and the Japanese are saying that. And he could not have chosen less effective issues to deal with the American economy. In the first place, the American car industry is in trouble not because Japanese are not buying, but because American consumers are not buying. And he couldn't have chosen less appropriate group of 21 business leaders to take to Japan because they represent collectively what is wrong with the U.S. society and economy today. So that's really the appearance. And if Americans are going to believe this--

MR. BRINKLEY: You feel strongly about this, do you?

MR. TSURUMI: Yes, I do feel strongly. And also there are many real issues between the two nations they should be discussing. But he is not acting as a president, he's acting like a political--

MR. BRINKLEY: I'll come back in a minute and I want to ask you what these other issues are. But first, Mr. Prestowitz, you're publishing a report tomorrow morning which is very pessimistic. It says in effect the American automobile industry is on its way to its grave unless something truly dramatic is done.

MR. PRESTOWITZ: Well, that's right, David. I think the president may be doing, in fact, the right thing, perhaps for the wrong reasons. But the U.S. auto industry is going the way of televisions and consumer electronics and video tape recorders. It's a dying industry.

It has tremendous negative implications for our standard of living. The auto industry accounts for about 4.5, almost 5 percent of U.S. GNP. The common impression is that the Japanese transplants will replace the contribution that Detroit makes to the U.S. economy, but in fact, according to our calculations, the net impact of the transplants so far has been a loss of about 85,000 U.S. jobs and about \$6 billion in U.S. GNP.

MR. BRINKLEY: Even though the transplants hire Americans?

MR. PRESTOWITZ: They hire some Americans, but they displace a lot more Americans and they use a very large percentage of Japanese parts. The really critical thing is that when you look at the problems that the U.S. auto industry has, it has a huge cost differential. Despite the fact that it has greatly improved productivity, greatly improved quality, greatly improved technological innovation, it still suffers about a \$1500 cost disadvantage, and that cost disadvantage arises primarily from health care, pensions, and from the cost of capital, all things which are really not under the control of management.

So in effect, what we have is a situation in which even the heads of the auto companies do everything right, if they're absolutely perfect, do exactly the same productivity, same quality as the Japanese, they still can't win.

MR. WILL: But--go ahead. You disagree, Professor, go ahead. Why? What's the matter with that?

MR. TSURUMI: I totally disagree, just as the--not only cost differential, but even quality improvement has been taking place, but not good enough yet. American consumers are not buying them, American--resale value of American autos in the U.S. market as compared with, let's say, Japanese imports, steeply decline as the years go on, third year and fourth year. That's one--the market evaluation of the how American--the reliability of Americans car are.

MR. WILL: Mr. Prestowitz, you said you cite cost of capital, pensions, health care.

MR. PRESTOWITZ: Right.

MR. WILL: Executives may not be responsible for that, executives of the big three. Japan's not responsible for any of those either.

MR. PRESTOWITZ: No, but Japanese government has a national health care service which relieves the burden of health care on its producers. The Japanese government has a pension system which is much less burdensome on producers than the U.S. government. And the Japanese government has taken great pains for 40 years to create a high savings rate and a system of financial markets that feeds low-cost capital to Japanese industry.

Our government, on the other hand, in 1986 passed the Tax Reform Act which raised the cost of capital for U.S. industry by about 40 percent.

MR. WILL: Americans drive home from work in their Toyotas, sit down in front of their Sonys and complain about the news about the trade deficit. But the fact is, it's consumer-driven trade deficit. Americans are expressing their preferences by the millions, by billions of yearly decisions. Doesn't it have something to do with quality?

MR. PRESTOWITZ: Certainly there's a quality element to it, but I think the key point is that it's very hard to make high quality goods with wornout tools. Japan this year is investing in absolute dollars more than the United States, on a per capita basis twice as much. Every Japanese worker this year will get twice as many new tools as every American worker. Much easier to make high quality products when you have that kind of an economic strategy behind you than when you have the kind of strategy that we have.

MR. TSURUMI: That argument doesn't wash, Clyde, because Americans are willing and buying up the Hondas and Nissans and others made in the United States. I know some cars are coming out of exactly the same--the assembly line in the United States, and one is going into, say, General Motors showroom, or Chrysler, the others, but--

MR. DONALDSON: Could I just jump in here a moment. You're absolutely right, Americans are voting for Japanese cars, for instance. But they're allowed to do this because the cars are here. I think a lot of Americans can't understand why the shoe on the other foot doesn't work. Why won't Japan open up its markets for rice, for automobiles, for a whole host of products, and then if the

Japanese don't want to buy them, if the Japanese say, Boy, these Hondas are terrific, I'm not going to buy a Buick, that's fine. But when you close your markets, it's not fair, Professor.

MR. TSURUMI: That's not true. That's the--

MR. DONALDSON: Oh, the markets are open?

MR. TSURUMI: Markets are open. Arguably--

MR. DONALDSON: Ooohh!

MR. TSURUMI: --not the rice markets. You can pick up a few things, but--

MR. DONALDSON: The automobile market?

MR. TSURUMI: Automobile market, there is no legal tariffs--

MR. DONALDSON: But you have your rules for inspections, you have your rules.

MR. TSURUMI: Many European cars--for example, last year--yes, Japan should import some more cars, but Japan now importing about 300,000 units of cars, passenger cars last year.

MR. DONALDSON: Worldwide.

MR. TSURUMI: Worldwide. The leading imports are German cars, not American cars. And the imports of cars in--

MR. DONALDSON: One reason, am I not correct, German cars meet more of your tests from the standpoints of the rules--

MR. PRESTOWITZ: No, no, that's not it, Sam. The point is--

MR. DONALDSON: Well, then what is it?

MR. PRESTOWITZ: What's being sold in Japan is not cars, it's prestige. What's being sold are Mercedes Benzes, Jaguars and BMWs. Nobody ever claimed the Jaguar is a paragon of high quality. These are high-priced, luxury, prestige cars. Japan's been through a bubble economy in the late 1980s, and they were selling prestige.

But the key point here is something he said. You said the market's not open, he said the market is open because there's no legal tariff or quota. That's the whole issue.

MR. BRINKLEY: Let me interrupt here. We've got two minutes left. I want to ask each of you, tell us what we should do. Professor, what should Americans do?

MR. TSURUMI: Well, certainly if President Bush wants to salvage this quote, unquote un-

presidential trip to Japan is just to first, yes, zero in on the real issues, such as opening the rice market. It's a ready market, \$1 billion easily, for the U.S. market to Japan. Not automobile products.

And there are many issues, political, right, the North Korea and the nuclear issue. They are the real issues that the two summits has to discuss.

MR. BRINKLEY: Well, that has nothing to do with the American economy.

MR. TSURUMI: Yes!

MR. BRINKLEY: North Korea is--

MR. TSURUMI: Well, there is very little just any foreign country can do for the U.S. economy anyway.

MR. BRINKLEY: Mr. Prestowitz, one last question. Tell us what you think this country should do.

MR. PRESTOWITZ: The U.S. ought to forget about rice. The Japanese market is not open in the sense that the American market is because it has keiretsu quasi-cartels controlled distribution, a very active industrial policy, and a very tightly organized society which is simply hard to get into. So we're not going to get the Japanese market open by asking them to open their market.

What we can do, what the president should do is to negotiate for some concrete sales. He ought to be telling the prime minister he wants to sell \$15 billion worth of auto parts, he wants to sell \$15 billion worth of semiconductors or supercomputers. We should be negotiating to actually sell something.

MR. WILL: That's mercantilism.

MR. PRESTOWITZ: We're dealing with a mercantilist system.

MR. WILL: So we have to become mercantilist and abandon free enterprise?

MR. PRESTOWITZ: You have to decide what you want to make. If you have one country which insists that it wants to be the leader in, let's say, supercomputers, and you have a supercomputer industry and you say you don't care about it, you're going to be out of supercomputers.

MR. BRINKLEY: Sorry, I have to interrupt. Time is up. Thank you both very much. Pleasure to have you. Maybe you'll come again. Thanks for being with us.

Coming next, Joseph Gorman, chairman and chief executive of TRW, the maker of automobile parts and much else, one of the businessmen traveling with the president. And shortly, Brent Scowcroft, national security assistant to the president. In a moment.

(Announcements)

MR. BRINKLEY: Mr. Gorman in Seoul, Korea, thank you very much for coming in to talk with us. I believe it's the middle of the night there, isn't it?

MR. GORMAN: It is.

MR. BRINKLEY: Well, thank you for coming.

MR. GORMAN: My pleasure.

MR. BRINKLEY: You've heard, I believe, what has gone before--our two guests who have come and gone.

Tell me what you think President Bush should say to the Japanese.

MR. GORMAN: Well, I think fundamentally what the president will carry as his message--and I wouldn't presume to suggest any specifics for the president--but fundamentally, I believe, the message he will carry is that, hey, our systems have been different, continue to be different. That has given the Japanese a distinct, competitive advantage. That has resulted in trade imbalances, bilateral trade imbalances, that are fundamentally unacceptable; they're unsustainable. We've got to do something about that.

We think that there is a fundamental, basic mismatch in our global trading system between and among the several key countries and regions of the world. Japan is different. Your markets are closed; they're not open. There are other differences that are significant, and it's time that we brought all key trading regions of the world into balance so that each is materially, in all respects, like the other. And we are going to ask you to bring your system into conformity with that of the United States and that of Europe, or Europe and the United States will have to begin to think about taking measures that would bring their systems of competition and trade more into line with yours.

MR. WILL: Mr. Gorman, let's stay for a moment with the automobile industry because you're involved with that, and it is an emblematic industry to Americans; and because it is such a large part of the trade deficit.

You say the Japanese markets are closed. Suppose they were, by any definition you choose to adopt, perfectly open to automotive competition. How much difference would that make?

MR. GORMAN: Well, I think there's a difference perhaps between the vehicle, the finished, assembled vehicle, and auto parts.

But for just a moment, it seems to me that the relevant question is, how did the Japanese get where they are today? Some historical perspective is critically important in all of this. We are where we are today because the Japanese market has been a protected market. They've had a system that has been not only supportive, but highly supportive across the board--from anti-trust laws to keiretsus to government subsidies to tax laws, and the list could go on and on and on, to distribution--

MR. DONALDSON: Excuse me just a moment. Are you saying that the reason the Japanese now have one third of our market and one half of our non-fleet car market in this country has to do with Japanese policies, and not the product in the showroom?

MR. GORMAN: Look, I think the professor much, grossly over-simplified a very difficult question.

Of course, we in the United States have to be more competitive--we have been working on that. We're marching towards much higher quality, much better competitiveness. The Japanese do have high-quality product. But one reason, a significant reason that they have a very high-quality product--and I admire them for this--is that their entire system has to be geared to making their auto companies and their consumer electronic companies and every other targeted industry a winner in the global marketplace.

MR. DONALDSON: Well, Mr. Gorman, if I understand you correctly, you're saying the president ought to say to the Japanese that things have to change, or else other measures may have to be taken.

I must tell you, and I'm sure you've done the same thing, I've watched successive Japanese prime ministers make promises to three--at least three, if not four--American presidents, and nothing really changes. So at what point does the United States say, all right, we've had enough, we're going to--reluctantly perhaps--go to some form of protectionism?

MR. GORMAN: Well, look, I think it's inevitable. You cannot long sustain this fundamental mismatch because one system gives its industrial firms a distinct competitive advantage in the world marketplace. That cannot be sustained--not for long, anyway.

MR. DONALDSON: Well, are you saying, sir, that you think Congress this year should take some steps on tariffs or in some other fashion to try to reverse this?

MR. GORMAN: No, I'm not saying that at all. In fact, protectionism is wrong. It's a lose-lose. It's the worst kind of solution to all of this. It saps both our will and our ability to compete for the long run.

But we must enforce fair trade. We have a policy--ought to be have--and I know that President Bush agrees with this fully--it's the essence of what he's trying to do--of free and fair trade policy firmly footed on fair trade principles.

But to the extent any trading partner, whether it's Japan or Korea or anyone else gets out of line with that, then steps have to be taken to bring that trading partner back into line; or we have to re-evaluate whether our markets ought to be open to that particular trading partner.

MR. BRINKLEY: Can this country maintain a free and fair trade policy if the Japanese do not?

MR. GORMAN: I think yes, we can--

MR. BRINKLEY: How?

MR. GORMAN: --perhaps with respect to the rest of the world. But I think we cannot forever maintain a free and fair trade policy with respect to the Japanese, as far as the bilateral trade relationship is concerned, unless the Japanese system comes more into line. And there's a band of reasonableness. No one system will ever be like the other. But they're outside that band of reasonableness at this present time.

MR. WILL: Let me ask you for a very short estimate. I have never heard anyone estimate that unfair trade practices on the part of Japan account for more than 20 percent of our trade deficit with them. Do you think it's more than 20 percent?

MR. GORMAN: I think that's an unknowable kind of question because the fact is that their entire success is the direct result of their system, and some of that system over 20 years.

MR. BRINKLEY: Mr. Gorman, thank you. Thank you very much for being with us.

MR. GORMAN: You're quite welcome.

MR. BRINKLEY: We wish you good luck on your trip.

MR. GORMAN: Thank you very much.

MR. BRINKLEY: Coming next, Brent Scowcroft, national security assistant to President Bush, in a moment.

(Announcements)

MR. BRINKLEY: General Scowcroft, thank you for being with us. Pleased to have us.

MR. SCOWCROFT: Good morning, David.

MR. BRINKLEY: Even though I know it's in the middle of the night there, I thank you for coming in.

MR. SCOWCROFT: Yes, surely.

MR. BRINKLEY: As precisely as you can, tell us exactly what does President Bush want from the Japanese?

MR. SCOWCROFT: I think there are really three things that the president is seeking with the Japanese: first of all, to review the security situation, both the bilateral treaty we have with Japan and the changing security situation in East Asia and in the world as a whole.

Secondly, he will deal with the political, the global partnership that we're trying to develop with the Japanese. This is a world where freedom and democracy are on the ascendancy. That takes political commitment and economic commitment.

And third, of course, he will be pressing for an open world trading system. And I think the previous guests have demonstrated that the Japanese take advantage of the open trading system, but they refuse to become a part of it. So I think that will be a major part of the president's efforts.

MR. WILL: Well, speaking of open trading systems, General, as you know, we have dairy protectionism and textile protectionism and sugar protectionism and steel protectionism, and--as the

Australians vigorously reminded you--we have, under the Export Enhancement Program, heavy subsidies, which is protectionism, for our wheat industry.

Who are we to be lecturing the world on pristine free trade?

MR. SCOWCROFT: Well, as the president has said, George, no one is without sin in this business. But we're pushing hard to rectify that. We are pushing hard in the Uruguay round of the GATT negotiations. We're supporting the Dunkel draft as a basis for a new GATT system which will turn to tariffs and away from the other kinds of protectionism, and greatly reduce tariff protection around the world.

So that's a great step in the right direction, and we're prepared to support it.

MR. WILL: I know that politics isn't your business, General. But let me ask you this.

The president, if he succeeds, say, in reducing the flow of Japanese automobiles to the United States, he will come back and he can tell the American people, "I've reduced your choice in the marketplace and lowered your standard of living by raising the cost of transportation."

That seems to me a weak platform to campaign on.

MR. SCOWCROFT: The president's goal, George, is to open the Japanese market, not to close the American market. It's to open the Japanese market and to give our products a chance to compete on an equal basis--on the basis the Japanese products can compete in the United States. Then it's up to American industry to make those products competitive.

MR. DONALDSON: Well, General, most of the dispatches that I've been reading from your front say that the fix is already in, that the document has really been written as to what the president is going to get in Japan. I think the prime minister there is quoted as saying that they're going to give Mr. Bush about 80 percent of what he's asking for.

If that is true, tell us this morning, if you will, what has the president gotten in the way of the automobile mismatch?

MR. SCOWCROFT: If the document is already written, if the fix is in, I haven't seen it, Sam.

MR. DONALDSON: Well, then what do you want on automobiles?

MR. SCOWCROFT: What we want is an open market for U.S. automobiles and for U.S. auto spare parts.

MR. DONALDSON: All right. Let me ask you about a political question, General.

North Korea is complaining today that we have flown a U-2 flight over Korea some time in the last two or three days, and this was very provocative, particularly in light of the president's trip. What can you tell us about that?

MR. SCOWCROFT: Nothing.

MR. DONALDSON: In other words, that's the kind of thing that you don't want to discuss in public?

MR. SCOWCROFT: We will continue our intelligence surveillance of North Korea, pending their fulfillment of their claim to go toward denuclearization of their part of the peninsula. And when they agree to an inspection system which will clearly demonstrate that they are avoiding-or denuclearizing their part of the peninsula, then we can change our intelligence surveillance.

MR. DONALDSON: I know the president has said that we're going to continue to keep U.S. forces in South Korea.

How much longer? What is the key to getting to where we can remove them?

MR. SCOWCROFT: Well, I don't think there's a specific key to it yet, Sam. You know, North and South Korea have a long history of bitterness now. They're taking steps, they're reaching out to each other; and we welcome and support that process in every way we can. But I think it is likely to be a fairly long process, and I don't think we should changes that dramatic this early.

MR. WILL: General, we're coming up on the one-year anniversary of the war to bring some kind of peace to the Middle East, at least as regards Saddam Hussein. He's still in power.

Do you think on the second anniversary of the war he will still be in power, and what, if anything, are we doing to see that that isn't the case?

MR. SCOWCROFT: We're doing whatever we can to see that isn't the case, George, and that's a prognostication that I won't make, though I'd certainly hope not.

MR. BRINKLEY: General, thank you. Thanks very much for being with us. We wish you good luck.

MR. SCOWCROFT: Thank you, David.

Bush Collapses at State Dinner With the Japanese



NHK-TV via Reuters

President Bush being supported by security officers and Prime Minister Kiichi Miyazawa, crouching at center, after he collapsed at a state dinner in Tokyo yesterday. At right was Barbara Bush.



Reuters

President Bush being led to his car about eight minutes later. With him was Dr. Burton Lee.

President Has Intestinal Flu, Spokesman Says — He Intends to Continue Most of Schedule

By MICHAEL WINES

Special to The New York Times

TOKYO, Thursday, Jan. 9 — President Bush fell suddenly ill and collapsed at a state dinner being given for him Wednesday night at the home of the Japanese Prime Minister. This morning, his spokesman said the President was "up and about" and making phone calls.

The spokesman, Marlin Fitzwater, said on Wednesday night, after the attack, that Mr. Bush had the kind of gastroenteritis commonly known as intestinal flu, but insisted that he was "feeling fine." Under questioning, he acknowledged that Mr. Bush had thrown up at his seat just before collapsing and was in "a faint condition."

Mr. Fitzwater said today that the President required no medication beyond an anti-nausea drug, but that Mr. Bush still experienced "some weakness" and that as a result, his morning schedule had been canceled. He said the President had a good night's sleep and planned to resume his schedule this afternoon.

'No Other Illness'

"The doctors are certain that there is no other illness or any other problems related to this, that it's a simple case of the flu," he said. "The President is human; he gets sick." [Excerpts from briefings, page A9.]

Mr. Fitzwater said Mr. Bush had "fainted" during the episode at the dinner, that he had vomited and then slid to the floor. This was repeatedly shown on television both here in Japan and in the United States.

The President's host, Prime Minister

Kiichi Miyazawa, cradled his head for some minutes until he was strong enough to get up on his own.

One person who attended the dinner and saw the incident at close range said the President "turned white as a sheet," rolled his head to the left, and was clearly fainting before being helped to the floor. "It all happened very, very fast," said the guest, who refused to be identified by name.

Quayle Is Notified

Vice President Dan Quayle, Samuel K. Skinner, Bush's chief of staff, and other officials were notified of Mr. Bush's collapse.

Mr. Quayle was told at 6:20 Wednesday morning by the White House Situation Room and said later that he spoke soon afterward with Mrs. Bush, who assured him the President was "doing well."

This evening, while campaigning in New Hampshire, Mr. Quayle spoke to Mr. Bush by telephone from the town of Litchfield. He said that the President's "voice was strong" and that he told him he "got the flu," and then asked about the political situation in New Hampshire.

While saying he was confident that he "is ready" to become President if necessary, Mr. Quayle said "that didn't even cross my mind" this morning when he was informed of Mr. Bush's illness. William Kristol, the Vice President's chief of staff, told reporters that there had been no significant change in

Bush Collapses in Japan, But Plans to Continue Visit

(Continued From Page A1)

Mr. Quayle's schedule because of the President's attack.

After the incident, Mr. Bush walked from Miyazawa's official residence under his own power, but looking haggard and wan, and wearing a green overcoat provided by a Secret Service agent to cover regurgitated food on his clothes.

Over a bedlam of clamoring reporters and Japanese security police who physically restrained them, he was heard to say: "I feel good."

After leaving the dinner, Mr. Bush went in his limousine to his guest suite at Akasaka Palace. An ambulance was brought to the front door from Mr. Bush's motorcade — it regularly accompanies the President on motor trips — but was not used.

Mr. Bush's wife, Barbara, remained at the dinner and participated in an exchange of toasts with Mr. Miyazawa later in the evening. Mr. Bush's friend and national security adviser, Brent Scowcroft, delivered the President's toast.

A Shock to the Japanese

The incident stunned the crowd of 135 diplomats and officials who were at the dinner, and provided Japanese a dramatic counterpoint to the vigorous, high-spirited President they have seen since his arrival here on Tuesday.

It cast a pall over his visit here, the climax of a 12-day, 26,000-mile sweep

Questions about the President's health remain unanswered.

through the western Pacific to promote free trade and American exports.

The entire sequence at the dinner was recorded by a camera for Japan's semi-official television network, NHK, which broadcast live pictures of Mr. Bush being helped to his feet and taken out of the dining hall.

Throughout the evening, recorded footage of a prone Mr. Bush, his head cradled by Mr. Miyazawa as he struggled to regain his composure, was aired again and again.

Few Medical Details

Apart from assurances that the President was not seriously ill, the White House provided few details of Mr. Bush's medical status.

Mr. Fitzwater described the incident as a minor illness that Mr. Bush himself had jokingly brushed off.

"During the dinner tonight at approximately 8:20 P.M.," he said, "the President slumped over in his chair, was feeling weak and was helped to the floor by Secret Service agents. The President recovered in a few minutes and remarked to his agents, 'I just wanted to get a little attention.'"

Referring to the President's physician, Dr. Burton Lee, he also said: "Dr. Lee does not feel there's any special monitoring required. All aspects of the examination indicate that it is a common case of the flu."

Mr. Fitzwater said Mr. Bush's illness had been identified after tests by Dr.

Lee, who was attending the dinner.

Dr. Lee and a second physician, Dr. Allen Roberts, examined the President, and Dr. Lee later gave him the prescription anti-nausea medicine, Tigan, according to Mr. Fitzwater.

The spokesman closed the White House press room for the night and left with his aides immediately after holding his first news conference on the incident, leaving many questions about Mr. Bush's illness unanswered.

The attack on Wednesday night marked the second known time in eight months that the President has become ill enough to warrant unscheduled medical treatment.

In May, Mr. Bush was briefly hospitalized after an undiagnosed thyroid condition caused his heart to begin beating rapidly and uncontrollably, a condition called atrial fibrillation.

Any Link Discounted

Mr. Fitzwater said tests showed that the President's latest illness was unrelated to the thyroid condition. But he refused to say what tests were performed on Mr. Bush or what else they showed.

A number of reporters and White House aides traveling with Mr. Bush in the last week have been felled by a mild flu and similar ailments since the day the trip began, Dec. 30. But Mr. Bush has shown no sign of sickness, and has jogged and used an exercise bicycle and stair-climbing exercise machine in hotel and guest rooms across Asia and the Pacific.

En route to Seoul on Air Force One this week, Mrs. Bush said that her husband was "in great shape" and had exercised daily on the trip.

Only this afternoon, Mr. Bush and the United States Ambassador to Japan, Michael H. Armacost, engaged Emperor Akihito and Crown Prince Naruhito in a tennis match, which the Americans lost.

In separate interviews with two television networks hours before his attack, Mr. Bush said he felt great.

"I said it once before," Mr. Bush told CBS News. "If I'm in bad health, that's about the only reason I can think I wouldn't become a formal candidate. And I never felt better. A little tired from time to time, but charging, ready to go."

In a second interview, Mr. Bush told NBC News that he was suffering from jet lag — Tokyo is 7,000 miles and 14 hours from Washington — but otherwise fit.

"I feel pretty good right now," he said. "It's been a long trip — still wake up in the middle of the night from time to time, but expect by the time I get home I'll be waking up on Asian time in Washington."

Privately, however, Mr. Bush's aides and many others in his Tokyo entourage were aware this afternoon that Mr. Bush was not feeling well, one official said on Wednesday night.

The President's penchant for rigorous travel and exhausting schedules is well known to those who travel with him, and this four-nation trip, now in the 10th of 12 days, is no exception.

He has frequently begun the day with meetings shortly after sunrise and ended with state dinners that stretch well into the night.

Reporters who have trailed him this week have noted several times that Mr. Bush has appeared visibly fatigued. At a state dinner last weekend in Singapore, he appeared to be fighting to stay awake.

Since leaving Seoul early Tuesday morning for his trip to Japan, Mr. Bush had carried out a somewhat more relaxed schedule of events. On Tuesday he landed in Osaka, flew by helicopter to two events in nearby cities, had lunch with former Prime Minister Toshiki Kaifu, and flew to Tokyo, where he took the evening off.

Tennis With the Emperor

On Wednesday, Mr. Bush's day began unusually late, with a 10 A.M. arrival ceremony and a visit with Emperor Akihito. He then met with Mr. Miyazawa, conferred with a delegation of American business leaders, played tennis with the Emperor and gave interviews to four television news organizations before heading to Mr. Miyazawa's residence for dinner.

According to White House officials, it was in the receiving line in a so-called smoking room that Mr. Bush first became ill. He left the receiving line for several minutes to go to the bathroom, then reappeared for the dinner.

Mr. Fitzwater said on Wednesday night that the President had told Dr. Lee that he was feeling bad shortly before the dinner.

"Dr. Lee examined the President and determined that he had a touch of the flu, but the President wanted to attend the state dinner," Mr. Fitzwater said.

At 7:20 P.M., Mr. Bush entered the dining hall for a four-course dinner that was to consist of cold salmon with caviar, clear soup with mushrooms, medallions of beef with pepper sauce, and passion fruit ice cream. He was scheduled to exchange toasts with Mr. Miyazawa at all such dinners, a little over an hour later.

Japan Watched

Instead, as Japanese television footage vividly showed, Mr. Bush, who already looked tired, became suddenly and dramatically ill.

He threw up on his shirt and suit coat, rolled backward in his chair and tilted toward Mr. Miyazawa, who sat with Mrs. Bush to his left, and ap-

reement could unravel. Finally, these diplomats said that though he had been proposed by non-
 vative leaders of the National As-
 mbly, Mr. Theodore, 51 years old and
 e leader of a small party that still
 rried the Communist label, had not
 elusively gathered enough support
 nong the entire Parliament, Haiti's
 nservative economic elite, and most
 portant, the army, to assure that his
 mination would be approved.
 Before news of Mr. Theodore's selec-
 on began to circulate in the capital
 is afternoon, several Haitian legisla-
 rs warned that support among the
 ealthy and the army for Father Anis-
 de's return could only be assured if

World Bank official who placed a dis-
 tant second in the 1990 elections won by
 Father Aristide. An O.A.S. official who
 asked not to be identified said that
 Father Aristide had rejected Mr. Ba-
 zin, in part, because of what he felt was
 the conservative politician's endorse-
 ment of the coup d'etat against him.
 Associates said that Mr. Theodore,
 who did not return several telephone
 calls, has been meeting with military
 and business leaders in recent weeks to
 reassure them and seek their support.
 In recent statements to the Haitian
 press, Mr. Theodore also stressed the
 importance of the private sector and
 called for more foreign investment.

EDITORIAL

red about to collapse when a Secret
 vice agent vaulted atop the dinner
 e and a second eased him to the

All of a sudden, the music stopped,
 "people froze," said Nobuaki Tana-
 the director of the Foreign Ministry
 ce that handles relations with North
 erican countries. "We were so wor-
 d about the President. People were
 ing, 'Where's the ambulance?' Ev-
 one applauded when the President
 ed up. I was so relieved."

Mr. Bush was on the floor for some
 e, while a worried Mr. Miyazawa
 Mrs. Bush hovered over him and
 es removed his coat. One official
 d an uncomfortable silence descend
 over the packed room until Mrs.
 sh, convinced that her husband was
 seriously ill, offered reassurances.
 hen the President was helped to his

feet and given a green topcoat to cover
 his shirtsleeves. Smiling broadly, he
 flexed an arm in the style of a muscle
 man and shook hands with Mr.
 Miyazawa, who applauded in relief.

Security Men Move In

Mr. Bush was escorted from the din-
 ing room and through the lobby of the
 residence, surrounded on one side by
 yelling reporters and on the other by a
 silent row of well-dressed men and
 women, apparently dinner guests.

Security officials outside frantically
 held large white towels or bedsheets
 along the passageway between the re-
 sidence door and Mr. Bush's motorcade.
 Mrs. Bush, who stayed behind at the
 dinner, jokingly told the crowd later
 that the President had probably been
 sickened by the drubbing he took in
 tennis with the Emperor and the Crown

Prince.

When it came Mr. Miyazawa's time
 to toast the absent President, the prime
 minister choked with emotion, halting
 in the midst of his tribute, his eyes
 brimming with tears, an observer at
 the dinner said.

Later, Mr. Miyazawa sent Mr. Bush
 a handwritten get-well message and
 sent his Chief Cabinet Secretary to
 extend thanks to Mr. Secowcroft for his
 stand-in at the toast. Foreign minister
 Michio Watanabe sent flowers to the
 President.

Mr. Bush's schedule today includes
 morning meetings with Japanese offi-
 cials, holding a luncheon, flying by heli-
 copter to inspect an Eastman Kodak
 research plant, holding a news confer-
 ence, and attending a state dinner be-
 fore returning to his palace suite just
 before 10 P.M.

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CBS News

FACE THE NATION

Sunday, January 12, 1992

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MODERATOR: Bob Schieffer - CBS News Chief Washington Correspondent

GUESTS: SENATOR LLOYD BENTSEN (D-TX)
Chairman, Senate Finance Committee

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National Security Adviser

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MR. SCHIEFFER: Welcome to "Face the Nation." I'm Bob Schieffer.

For a moment last week, Americans were frozen in shock at television pictures of a stricken American president collapsing at a state dinner in Tokyo. But the president brushed it off as just a bug, and he returned home declaring a trade victory that will boost the economy.

PRESIDENT BUSH: Make no mistake about it--our progress this week will translate into progress on jobs and economic growth in America.

MR. SCHIEFFER: Maybe so, but others said the bruising talks produced only modest promises from the Japanese to buy more American goods, notably automobile parts and cars. Even the businessmen who went with the president criticized the results.

HAROLD POLING (CEO, Ford Motor Company): The proposals that are on the table, as far as the auto industry is concerned, are inadequate.

MR. SCHIEFFER: And that was almost a compliment compared to what Democrats said.

SENATOR DONALD RIEGLE (D-Michigan): To you see these table crumbs coming out of these trade talks of the last few days in Japan is an embarrassment to this country--it's an embarrassment.

MR. SCHIEFFER: For the administration the timing could not have been worse. Unemployment rose to 7.1 percent, the highest level in more than five years, just as a CBS News/New York Times poll was showing the president's approval rating skidding to an all-time low--48 percent. No wonder that by week's end his opponents on the campaign trail were smelling blood.

GOVERNOR BILL CLINTON (Democratic candidate): Finally, he gets in trouble in the polls, so he goes to Japan and takes the wrong people....

MR. SCHIEFFER: Can the president find foreign help for the domestic economy? We'll ask national security adviser, Brent Scowcroft. Can Democrats do more than criticize? We'll ask Senator Lloyd Bentsen, chairman of the Senate Finance Committee.

The politics of a sick economy--an issue facing the nation.

ANNOUNCER: From CBS News, Washington, "Face the Nation," with CBS News Chief Washington Correspondent Bob Schieffer.

This portion of "Face the Nation" is sponsored by the Archer Daniels Midland Company--ADM, supermarket to the world.

(Announcements)

MR. SCOWCROFT: I don't think anything really negative happened. Indeed, I think it was a very successful trip. The focus has all been on trade with Japan and all on one aspect of trade--that is automobiles--which is probably the most difficult of our trade relationships with Japan.

But I think the trip as a whole was really a definite success.

MR. SCHIEFFER: Well, let's talk about that. Give me some examples.

MR. SCOWCROFT: Okay. Australia, Singapore, Korea, dynamic economies, people who want to relate to the United States, and who have felt neglected in terms of the concentration, U.S. concentration in Europe, Soviet Union. Because of the collapse of the Soviet Union, obviously we have focused in that area.

But these are dynamic, growing economies. It is the largest-growing area economically in the world. It's our largest trading area now. And we made great progress, both in terms of security, in terms of political dynamics and development, and in terms of agreement on an open-world trading system.

MR. SCHIEFFER: Well, do you think in retrospect that the focus of this trip was wrong? I mean, this started out in the beginning as sort of a good-will tour to Asia, and then suddenly it became this, quote, jobs, jobs, jobs, economic help kind of trip. Somehow that didn't seem to work.

I mean, the Japanese this morning are saying the president came, and some are even saying he appeared to be looking for charity. I notice Secretary Brady made a speech and said, "If that's what they thought, that's not what we went for." But obviously he wouldn't have said that if people hadn't been saying that.

Somehow it just didn't seem to come off.

MR. SCOWCROFT: Well, I think the concentration got overly directed because that was the most controversial part of the trip. But I think it produced a couple of things. First of all the fact of taking businessmen with us was very controversial. A president doesn't usually do that.

One of the things that it really did, though, is to develop increased understanding between government and business; and each saw the other's problems and the kinds of things they could do a little differently. But, basically, what it did I think is to bring about in terms of U.S.-Japanese relations a better understanding of what could be a very serious problem between the two countries.

These are countries who really need to cooperate in this new world that is unfolding. And basically, we see things in a parallel way. But there is growing resentment in the United States about Japan, and in Japan about the United States. And I think to face that, as we did, and have some frank talks--because culture, history, of the two countries, we don't see things the same way.

MR. SCHIEFFER: Well, was there a strategy beforehand as to what these auto executives were to do when they got there, or were they just invited to come along? I mean, it's not clear to me what you expected from them.

MR. SCOWCROFT: You know, they're free, independent businessmen. We didn't attempt to control them, what they said or basically what they did--although we set up meetings.

What we really hoped to do is to set up a direct dialogue with their counterparts in Japan so that they could develop relationships. Now over here, for example, our American car dealers sell Chevrolets and Toyotas, the same dealer and so on. That ordinarily doesn't take place in Japan. So it's been hard to develop even that kind of dealer penetration of the Japanese market.

Now those are the kinds of things that we hoped would come out of taking the automobile makers with us.

MR. SCHIEFFER: I know you were there. I know that the secretary of the treasury was there. Did the president's trade representative go on this trip?

MR. SCOWCROFT: The deputy, one of the deputies did, and was very heavily involved in the negotiations, yes.

MR. SCHIEFFER: Why would not the trade rep go, if the focus was so heavily on trade?

MR. SCOWCROFT: Well, I think, you know, it was not heavily on that part of it, as far as the president was concerned. Those people were negotiating the individual deals and Mr. Moscow, who is the trade person who went, would be the one who would have done this kind of negotiating anyway, so that it was the appropriate thing to do.

MR. SCHIEFFER: Were any specific agreements made in relation to cars? You've said that obviously that was the most controversial. The auto execs afterward, immediately afterward said this was not enough. They said that the Japanese would not agree to a schedule to lower the trade deficit; and they said, in fact, there was no solid agreement.

Is that, in fact, accurate?

MR. SCOWCROFT: We made no attempt to get Japan to lower the trade deficit. Our objective was to open Japanese markets. It's up to us to compete in those markets. We can't compete if they're closed.

Now in automobiles, there was some agreement about increased imports, especially of Japanese cars made in the United States. There was much more progress in auto parts, pretty significant progress there--and in other areas where there's been almost no discussion--computers, for example. We have 41 percent of the private market for computers in Japan, but only 6 percent of the government market. And the industry said it was stunned at the success we got in opening the Japanese government market for computers. But you don't see that in the papers.

MR. SCHIEFFER: I don't want to just keep going over and over this. But in retrospect, do you think it was a good idea, on balance, to take the automobile executives?

MR. SCOWCROFT: On balance, I think it was. As I say, I think it developed a better understanding between business and government as to the role of each and how they can cooperate. I don't think it ought to be a normal practice. But in this case, I think despite the downsides that are obvious right now, I think it was a good idea.

MR. SCHIEFFER: Let me ask you also about the president's health. Obviously those were quite shocking pictures that we saw. The White House says it was just the flu.

Is he feeling okay now, or--

MR. SCOWCROFT: He's feeling okay. This was basically a case of the president trying to be too nice. He didn't feel well when he went to this, and the doctor said, "You really shouldn't go." He didn't want to break up the prime minister's party, so he said, "Oh, I can make it through."

It was literally a case of an intestinal flu which we all get from time to time, and it hit right

in the middle of the dinner party with the television camera on.

MR. SCHIEFFER: You know, although the White House says--and there's no reason to doubt--that the president is in excellent health for a man of his age--the fact is that he has now in the last 12 months collapsed twice.

Do you think he ought to take it easier, or is he going to take it easier in the future?

MR. SCOWCROFT: He is a very dynamic individual. He is in excellent physical condition. He exercises every day. He is just the kind of man who fills his day, whether it's work, whether it's playing, whatever he's doing, he's an activist. And I see no indication that he's over-stressing himself in that way.

He obviously was tired--this was a grueling trip for him--and he probably lowered his resistance.

MR. SCHIEFFER: Let's talk a little bit about the Persian Gulf. It was just a year ago that the war happened. The question remains: did the war stop too soon? Did the president stop it too soon?

MR. SCOWCROFT: I think not. I have no regrets about the way it came out. Remember, we never established as an objective the overthrow of Saddam Hussein. Our objectives were to get the Iraqis out of Kuwait and to destroy the offensive capability of their forces. We did both. They still have no offensive capability to endanger their natives, and Kuwait is free.

We wish that Saddam Hussein was no longer in power, and we intend to keep Iraq isolated to the extent we can until he leaves.

But no, I think we accomplished our objectives. And had we changed those objectives with the victory, we could have become bogged down.

MR. SCHIEFFER: In another part of the world, Boris Yeltsin, the president of Russia, is coming to the United States for a U.N. meeting. He says he's going to have a summit with President Bush while he's here. Can you tell us about that?

MR. SCOWCROFT: Well, it depends on your definition of a summit. We're planning on having the two meet; but I think, you know, the president did invite Mr. Yeltsin to come here. I would think that this meeting would not take the place of him coming specially for a meeting with the president.

But they will have substantial conversations, yes.

MR. SCHIEFFER: How would you describe the situation in the Soviet Union today? There were demonstrations, I guess yesterday, about the rise in food prices. Is Mr. Yeltsin going to survive?

MR. SCOWCROFT: Well, I think there are--first of all, there are enormous problems. There are really three revolutions--the national one and the break-up of the national entities; the political one--what kinds of governmental structures are going to replace the domination of the Communist Party; and third, the economic revolution, the transition from a centrally-controlled economy where prices and laws of economics were irrelevant to market economies.

But specifically now, the focus is really on the military--and that is, what do you do with a centralized military in a commonwealth where there are no real central institutions--and how do you

coordinate economics? And they have been unwilling, really, to develop a common economic program so that the Russians have freed prices, they have not been freed, at least commensurably, in the other republics. So the danger is that they'll set up barriers to the free flow of trade because of these differentials.

So they have very serious problems, and I think it will be a long time before they get themselves straightened out.

General Scowcroft, thank you very much for your perspective this morning. We'll be back in just a minute to talk with Senator Lloyd Bentsen, chairman of the Senate Finance Committee.

(Announcements)

MR. SCHIEFFER: And with us now from Phoenix this morning, the chairman of the Senate Finance Committee, Lloyd Bentsen. Senator Bentsen, thank you very much for joining us.

Well, General Scowcroft says that the president's trip to Japan was a success. Other Democrats have been highly critical. You, up until this point as far as I know, have been pretty much held your fire. How would you evaluate the trip?

SENATOR BENTSEN: Well, I think we have to be very skeptical about the results in Japan. You have to remember this started out as a foreign policy trip. And then when the president began to have problems politically, he changed it into a trade trip and said it was going to be about jobs.

Now, he took General Scowcroft along, who's a very able man, but you have to remember he's the national security adviser, and at the same time, did not take our own principal trade negotiator, Carla Hills. I assure you that the prime minister of Japan had to have his trade minister by his side during any of these negotiations.

And then when we look at what Japan is talking about, the principal piece seems to be the idea that they're going to buy 20,000 American cars from the Big Three by '94. When you think about that and put it in perspective, that's about an afternoon's production of the Big Three.

And then when you look at what Japan has done in the past in their reports, I look back to 1986, when they brought the Migaya (phonetic) Report, where they said they were going to increase their imports substantially, cut back on that deficit in the United States, but the very next year in 1987, we had the biggest deficit with Japan that we'd had in our history, some \$57 billion.

So the facts are that we have had real disappointments in commitments about the Japanese in opening up their markets in the past.

MR. SCHIEFFER: Well, this obviously is something that is going to be of concern up on Capitol Hill. Do you plan to delve into this beyond what we're saying this morning?

SENATOR BENTSEN: Well, what I'm going to do that--Bob, I--because Bob Mosbacher, the secretary of commerce, says that the trade deficit with Japan, which is \$41 billion in 1990, it looks like it's going up some more in the figures we finally get on '91, that that trade deficit cost us 800,000 jobs in this country. So I'm calling for a hearing of the Finance Committee that I chair as soon as we get back in session, and that'll be on January the 22nd. And we'll delve into just what these concessions mean and how many of these jobs, of these 800,000 jobs, are we going to recover. And I hope to have the administration there testifying and some of the American business leaders in addition.

MR. SCHIEFFER: Let's--I want to ask you about one of the first things you said at the top of this interview. You said this had the look of--what did you say, of a political ploy. Are you saying the president did this for politics, for--

SENATOR BENTSEN: Well, I think he's having political problems and the polls show that. And we've seen unemployment in this country going up. We've seen incomes going down. And so he said he's making this a jobs trip.

But I think when you talk about what success has been made with Japan in this situation, we have to be concerned as to what the results are going to finally be. You've seen some real protectionism in Japan.

I can recall one of their agricultural ministers testifying that they--or stating that they wouldn't take American beef because the Japanese intestine was longer than ours, it took longer to digest it. And finally they began to open up the quota on American beef, but at the same time they raised the tariff 70 percent, so now it costs you \$26 a pound to get a pound of sirloin, U.S. beef, in Japan, and you can rightfully ask, Where's the beef?

You look at semiconductors. We're worldwide competitive, have 40 percent of the market. But in Japan, we have 12 percent in spite of their agreement that they're going to increase the quota and take more of our semiconductors.

We have garbage disposal units we sell around the world. But the minister of public works in Japan says we can't sell them there because they'll clog up their sewers. So we have had all kinds of problems of protectionism in Japan.

MR. SCHIEFFER: Well, Senator, let me ask you, what should the administration approach have been? Some people are even saying that perhaps the president shouldn't have made this trip, that it's not the president that ought to be going to Japan as sort of an auto parts salesman. What do you think his approach should have been? What should he have gotten?

SENATOR BENTSEN: Bob, what you need is not a frontal, high profile assault, where you have the two political leaders in a problem of not wanting to capitulate in front of their electorate to the other. What you need is the private hard negotiations talking about opening up those markets and what we do in case they don't open up those markets, because our bilateral relationship with Japan is terribly important. It's important we work together to keep stability in Southeast Asia, that we work together on environmental concerns. But this kind of a continuing trade deficits erodes that kind of a relationship and it's bad for both of our countries.

The things we need to do ourselves: We need an economic policy that increases productivity in this country, that increases our savings. I've introduced legislation to bring back the IRA, to open it up, to help people save. And then you have over \$500 billion in IRA accounts, in 401Ks, to take the penalty off of withdrawals for that to buy the first home for people, to help pay for college educations. That'll help restore some economic viability now. The recession is now, and we need to turn it around.

MR. SCHIEFFER: Senator, let's talk about politics a little bit. You talked about this is the political season. At the end of 1988, a lot of people thought that you would be the leading challenger for the Democratic nomination. Why did you decide not to run?

SENATOR BENTSEN: Oh, Bob, that was a pretty tough political decision for me, I have to

admit that. But I'm in a position as chairman of the Finance Committee where I think I can make a difference, and really that's what we all strive for. And I want to see us bring about some policies now and some legislation to get this economy moving again.

If I was out there running for president, they'd say I was doing it because I was running for president.

I want to see this economy of ours where we've seen middle-income people take a real hit--their taxes have gone up, their incomes have gone down--to restore some fairness to it, and, in turn, to jumpstart this economy and turn this recession around.

MR. SCHIEFFER: Just a while ago, on one of the other broadcasts, Pat Buchanan, asked about the president's trip to Japan, said, well, Dan Quayle would have done a better job.

You're sort of considered an expert on Dan Quayle. Do you agree with that?

SENATOR BENTSEN: Oh, I think I'll leave Dan Quayle alone. I've been down that road.

I think it's going to be an interesting thing to see what happens in New Hampshire with Pat Buchanan. You know, if he gets as much as 25 percent of the vote, that will be a rather ominous signal, I think, for the White House. If he gets as much as much 35 percent, then they really have problems.

I can remember back in '68 when Gene McCarthy ran against Lyndon Johnson and he got 42 percent of the vote, and the public figured that Lyndon Johnson had lost. I can remember a few weeks later, he dropped out of the race.

MR. SCHIEFFER: Do you think that the Democratic nomination, Senator Bentsen, will go to the announced candidates--the people that we know about so far--the ones that are running in New Hampshire? Or may it go to somebody else?

SENATOR BENTSEN: I would guess that it would go to one of those that is an announced candidate. And this thing is pretty well front-loaded. So you're going to see a real spring after New Hampshire for the next four weeks before you get into so-called Super Tuesday.

MR. SCHIEFFER: So you don't see any chance that Democrats could actually come to the convention without a candidate at that point?

SENATOR BENTSEN: Oh, yes, that's possible because if you don't have someone that takes a substantial lead early, they can have problems funding the rest of the race. And if you get into that kind of a situation, you could have something where the convention decides.

I would say the odds are, though, that you'll know who the candidate is before the convention.

MR. SCHIEFFER: All right. Senator Lloyd Bentsen, thank you for joining us this morning.

We'll be back with a final word in just a minute.

(Announcements)

MR. SCHIEFFER: Well, you won't be surprised to know that most of our mail in recent weeks

has been about the country's economic problems. Allen Kay of New York says the president must attack them with the same commitment and zeal he displayed in the Persian Gulf. And to head the effort, he suggests General Norman Schwarzkopf, one, he say, who has proven he can lead an assault and rally forces to victory.

Well, it's a thought. If you have one, drop us a line--and thanks for joining us. We'll see you next week on "Face the Nation."

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U.S. CONSIDERING SHARP CUTS IN MULTI-WARHEAD MISSILES, CORE OF THE NUCLEAR FORCE

FEW CONDITIONS SET

Land Arms Are Focus — Bush May Announce Plan on Tuesday

By ERIC SCHMITT

Special to The New York Times

WASHINGTON, Jan. 22 — In preparation for President Bush's State of the Union address next week, the White House and the Pentagon are considering plans to sharply reduce or eliminate long-range nuclear missiles with more than one warhead, Administration officials said today.

Some of the cuts, most likely in American land-based multiple-warhead missiles, would be made without conditions, while others would hinge on the response of the four former Soviet republics with long-range nuclear weapons. These republics, which operate under a unified command, are Russia, Belarus, Ukraine and Kazakhstan.

Several senior Administration offi-

cials said the plan to be presented was still being refined but it was expected that Mr. Bush would be able to announce the broad proposal in the State of the Union speech, which he will deliver on Tuesday. The White House refused to comment today.

Obstacle to Arms Control

Multiple-warhead missiles, introduced in the early 1970's, have been the core of both the American and the Soviet long-range nuclear forces, and at the time they were introduced, were considered the greatest obstacle to arms reduction efforts. Thus, their elimination or reduction now would be a significant step in controlling the growth of nuclear arsenals. It is made possible by the recent collapse of the Soviet Union and its military power.

* These missiles carry as many as 10 warheads each. The weapons, known as Multiple Independently Targetable Re-entry Vehicles, or by the acronym MIRV's, were extremely difficult to keep track of with normal surveillance techniques.

Reliance on Submarines

The multiple warheads were placed on missiles in underground silos or on missiles carried aboard nuclear-powered submarines. They could hit as many targets as there were warheads, and were considered extremely threatening because an all-out first strike using such weapons could, in theory, destroy or severely damage all or most of a country's land-based missiles and prevent it from retaliating.

This forced both of the superpowers to use increasing numbers of submarines as a retaliatory force at sea, one more likely to be safe from attack.

Among the proposals now under consideration are removing some or all long-range ground-based missiles with multiple warheads, either eliminating them or replacing them with single-warhead missiles. This would include the Minuteman 3 and MX missiles. In addition, the Administration for the first time is considering cuts in the number of warheads on submarine-based missiles, which have been considered untouchable, and constraints on D-5 missiles, the Navy's most advanced.

The plans go beyond earlier proposals by President Bush, who said in September that reductions in land-based, long-range missiles with multiple warheads would require negotiations. Specific limits on submarine-based warheads were not even considered at the time.

The reductions would represent a further recognition by the Administration that large nuclear arsenals are no longer needed and that Washington's strategic goals are better served by encouraging the former Soviet republics to curtail their most threatening class of nuclear weapons — silo-based SS-18's and SS-24's.

Senior officials said that Defense Secretary Dick Cheney discussed the plan with Secretary of State James A. Baker 3d and with Mr. Bush's **national security adviser, Brent Scowcroft**, last weekend and that the three top advisers agreed on broad outlines of the proposal. The officials said that arms-control specialists at the Pentagon were fine-tuning the details on the plan this week before sending it to the White House for final approval.

The Administration's hope is that the former Soviet republics with long-range nuclear weapons would respond in kind to a pledge by Washington to cut long-range multiple-warhead missiles in silos. If the republics embraced reciprocal land-based cuts, the United States may be prepared to pare warheads and halt weapons-modernization plans for the strategic submarine fleet.

The American cuts could be reversed if the republics snubbed the offer, but given their pressing need for Western economic assistance, Administration officials believe that the timing is right to coax broader nuclear arms cuts.

Mr. Bush tried the same approach in September when he unilaterally called

American long-range bombers off 24-hour alert status and ordered the elimination of all short-range nuclear weapons on land and at sea in Europe and Asia.

A week later, the Soviet President, Mikhail S. Gorbachev, matched Mr. Bush's initiative and announced that his Government would exceed the requirements of the latest strategic arms treaty, pledging to cut the number of Soviet strategic warheads on land and at sea within seven years to 5,000, instead of 6,000.

It was unclear today whether President Boris N. Yeltsin of Russia or any other leaders of the new Commonwealth of Independent States have been consulted about the plan, or have told Washington whether they would reciprocate with their own cuts.

Trip to Ex-Soviet Lands

The Under Secretary of State for International Security Affairs, Reginald Bartholomew, was to return Thursday from a weeklong trip to the former Soviet republics, where he was to discuss Mr. Bush's September proposal as well as other arms-control agreements negotiated with Mr. Gorbachev's Government.

State Department officials said today that in recent months the United States had received mixed signals from republic officials on deeper reductions in long-range nuclear weapons with multiple warheads. Some of Mr. Yeltsin's advisers had embraced the idea and discussed making overall cuts deeper than Mr. Gorbachev proposed.

The Russian Foreign Minister, Andrei Kozyrev, said in an article in the newspaper Izvestia on Jan. 2 that the aim of Russian diplomacy was "to achieve radical reductions in nuclear weapons and curtail the arms race."

Some high-ranking Russian military officials, however, are said to be resisting the plan because it would cut what has been the pride of the former Soviet

Land- and submarine-based nuclear weapons that could be affected by the President's proposed cuts.

Total Warheads:

		3,072	
1,500			
	500		400
Minuteman III	MX	Trident I C-4	Trident II D-5
3 warheads per missile. 500 launchers.	10 warheads per missile. 50 launchers.	8 warheads per missile. 384 launchers on 20 submarines.	4-8 warheads per missile. 96 launchers on 4 submarines.

Source: Natural Resources Defense Council

The New York Times

nuclear arsenal.

Reciprocal reductions would likely remove more than 2,000 long-range nuclear weapons from the American and former Soviet arsenals, in addition to roughly similar reductions achieved under the arms reduction treaty signed by Mr. Bush and Mr. Gorbachev last summer.

That treaty, called Start, which has yet to be approved by the Senate, will cut the number of long-range nuclear warheads in the former Soviet arsenal from 11,000 to 7,000 and that of the United States from 12,000 to 9,000.

American weapons susceptible to cuts under the plan being considered are the 500 Minuteman-3 missiles, with three warheads each, and 50 MX missiles, with 10 warheads each.

By the end of this decade, the Navy plans to have 18 Trident submarines, each of which carries 24 missiles with

192 warheads. The Navy now has 12 Trident submarines, but only four serving in the Atlantic are equipped with the most modern missiles and warheads.

Scrapping Older Weapons

Pentagon and other Administration officials said Mr. Bush would also accelerate the scheduled retirement of several older nuclear weapons, including Minuteman 2 long-range missiles and Poseidon submarines, and perhaps cancel a single-warhead missile in development, the Midgetman.

Combined with cuts in other military programs that the President is expected to outline in his address, the nuclear arms reductions could also serve the political purpose of blunting calls from Democrats in Congress to make deeper reductions in Pentagon spending.

Scowcroft: 'I Think They Got the Message'

After trade talks in Japan, some business leaders traveling with President Bush called the trip a failure. But in an interview with NEWSWEEK's Ann McDaniel, national-security adviser Brent Scowcroft was upbeat. Excerpts:

American presidents have often declared victory in opening Japan's markets, yet little changed. What is different this time?

We were able to explain to the Japanese that an open world trading system was at stake and that it could not be

maintained unless Japan, one of the key economies in the world, was a full participant in that trading system, not just a half participant. We come at it from different points of view, but I think they really did get that message.

Commerce Secretary Robert Mosbacher says he does not believe the Japanese accept arguments in favor of open markets. He says they respond to "pressure and strength." Do you agree?

I feel they do understand the importance of an open world trading system, that Ja-

pan can't really exist other than in an open trading system. Now I'm not sure they fully accept our argument that Japanese markets are closed. Their perspective is that we are basically noncompetitive and that closed markets are, in effect, cultural.

What connection do you see between trade issues and security in the new world order?

They are, in a sense, all of a piece. Security changes its character significantly since there is no one overriding threat. There are still a lot of

concerns around. There's a lot of turbulence. To build support for democratic institutions in some of these countries where democracy is a very new phenomenon requires an open trading system. One of the things we were able to demonstrate to the Japanese was the value of imports into the United States from developing nations, as compared to the value of imports into Japan from developing nations. It's dramatically different. That's how they all tie together. Japan is really key in order to be able to help economically to develop political pluralism.

We Didn't Finish the Job

Soldiers should be allowed to fight to win

BY DAVID H. HACKWORTH

As the sun went down on the hundredth hour of the ground war, a captured Iraqi general told his American interrogator: "You have destroyed the body of the snake, but you missed the head." The defeated general may not have been a great troop leader, but his assessment of the war's outcome was on target. From the viewpoint of a fighting man or woman, the survival of Saddam Hussein at the head of a still-formidable Army means that the gulf war proved nothing. Yes, future generations of military students may study Gen. H. Norman Schwarzkopf's classic military maneuver along with the feats of Hannibal, Napoleon and Robert E. Lee. Yet for all the tactical brilliance of Desert Storm, the strategy was flawed. Half a million Americans were asked only to eject the Iraqi invaders from Kuwait.

As a military man, Gen. Colin Powell, the chairman of the Joint Chiefs of Staff, should have insisted to President Bush that halfway measures don't work in war. Gen. George Marshall told President Franklin D. Roosevelt at the outbreak of World War II that the goal had to be unconditional surrender and the destruction of enemy military capability. It's impossible to imagine him agreeing to stop the fight when the Nazis left France. George Bush's generals should have made the same demand. The president could then have told the United Nations that only the elimination of Saddam Hussein would justify allied soldiers climbing out of their foxholes.

Tap dancers: But as in all U.S. conflicts since Marshall's day, the military solution was compromised by political tap dancers. The gulf war was Korea revisited. On the day of the cease-fire, the 101st Airborne Division was ready to launch an air assault on "Objective Thomas," northwest of Basra, and close the back door. It would have set the stage for the 24th Mechanized Division and other units to whip what was left of the ragged Iraqi formations. Then Bush and Powell called off the war.

This is exactly what happened in Ko-

rea in mid-1951. The U.N. forces there had defeated the Chinese and North Korean armies and could have marched back to the Yalu River or even farther. There was nothing to stop them. Truman halted the advance to talk peace. The war went on for two more years, during which U.S. casualties doubled. And for almost four decades afterward, the north-south confrontation in Korea required a costly American presence to keep the peace.

The Vietnam War was more of the



Showing the flag in the Saudi desert

same. Victory was never defined. Would it have been preservation of the South Vietnamese regime in a permanently divided Vietnam? Rollback of the communists in the north? Without a clear statement of the political objective, there could be no military strategic plan, no way of knowing when you had won. As a result, the other side won.

America has not had a clear-cut military victory since Marshall ran our armed forces. Since the mid-1950s the military leadership's emphasis has been not on war fighters, but on soldier-statesmen. Very bright military men like Adm. William Crowe Jr., Lt. Gen. Brent Scowcroft and Colin Powell have become the principal military advisers to our presidents. All know how to operate smoothly

within the "E" Ring of the Pentagon and at the highest levels of government, but they have confused the black and white of warfare with the grays of politics. As a result, from Truman to Bush, not one senior officer has told a commander in chief that his strategy won't produce a clear win. Following the corporate style of military management, they have all gone along to get along.

And they all got along after the gulf war. Americans love a parade and politicians like to throw them. The air was filled with self-congratulation for a "spectacular victory." And then reality set in. Saddam was still in power. Sgt. Charles Miller, a rifle platoon sergeant whose battalion captured 339 enemy soldiers without losing a man, said, "When we first got back to the United States, everyone was patting us on the back. And now they say: why didn't you finish the job?"

Hard look: It is critical that the Pentagon and Congress take a hard look at the gulf campaign, as it did at the Vietnam War. This critique of the war must go beyond looking at how well the tanks, aircraft and missiles did their job. It must examine the top military decision makers' performance as well, and find out why warrior leaders don't make it to the top anymore. It is time for America to learn that it must not go to war unless it intends to win on the battlefield. Bush and his generals were haunted by visions of casualties. The guidance from the president down to Sergeant Miller was to keep the body bags empty. But if you fight to win, a lot of people are going to get hurt. The generals should have been willing to tell him not to risk any lives unless total victory was attainable.

Once launched, war must be total. This is not an argument in favor of total war. In fact, it is a reason for avoiding it if at all possible. One reason I opposed the military solution in the gulf from the beginning is that I am convinced that in modern warfare no one wins. It is too destructive. It is too costly in dollars. And for all the expense and sacrifice in Iraq, there was no strategic victory. That will come only from an unrelenting, airtight blockade. Economic punishment is the cannon and missile of future conflicts. In Iraq, the tyrant's country must be deprived of sustenance like a plant cut off from water. Then the people will pull the tyrant's plug, and accomplish for themselves the result that all the bombs and bullets of Desert Storm failed to reach.

The Stalking of SADDAM

Washington is still looking for a way to get
rid of Public Enemy Number One



A pro-Saddam

Remember how President Bush, at the height of the gulf war, called upon the Iraqi people to overthrow Saddam Hussein? And remember how he repeated that appeal as allied ground troops gathered up flocks of surrendering Iraqis in Kuwait? A year after the war, the administration's policy for ousting Saddam still boils down to asking the Iraqis to do what it was unable or unwilling to do itself. As the president's poll ratings on the economy plummet, the spectacle of an unrepentant Saddam, still in power and bent on acquiring nuclear weapons, presents the Democrats with a rare chance to bruise Bush on a foreign-policy issue. To the administration, the failure to oust

Saddam has become an embarrassment both abroad and at home.

Bush is in this position because ousting a foreign leader is as inherently messy as it is audacious; that fact simply can't be reconciled with the president's desire to control all military and political risks. Assassination, though it may have spared U.S. (and Iraqi) lives, is against U.S. law. Sending ground troops to Baghdad to hunt Saddam down was rejected because it might have mired U.S. forces in a long and costly occupation. The administration hoped the sheer fury of the air campaign would prompt the Iraqi military to turn on Saddam, especially after the United States began targeting bunkers used by members of the Iraqi elite. When that didn't work, say two senior military

officials, **national-security adviser Brent Scowcroft** told Gen. Colin Powell, the chairman of the Joint Chiefs of Staff, on or about Feb. 12, 1991, that the president would not be unhappy if Saddam were killed. But this apparent shift, signaled in such a way as to preserve "deniability," was rendered moot the next day. U.S. bombs killed 300 civilians in a bunker formerly used by the Baath party elite; the ensuing outcry forced the United States to take such bunkers off their target list. **NEWSWEEK** military sources say a giant "bunker busting" bomb was dropped on a command bunker on the last day of the war, less in any real hope of killing Saddam than in order to test the new weapon while they still could.

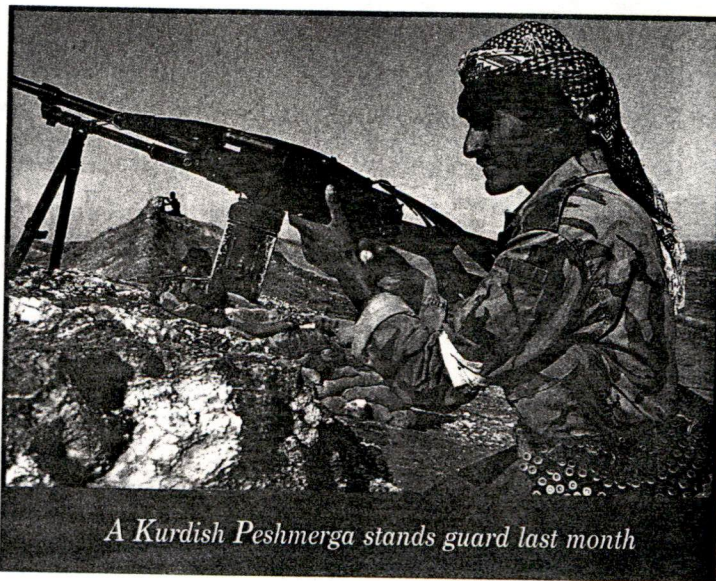
Having urged Kurdish and Shiite Muslim rebels to topple Saddam after the war, the United States then stood aside as he crushed them: officials contend they were deferring to Syrian, Turkish and Saudi fears that a rebel victory could crack up Iraq along sectarian lines. Washington was still hoping for a coup by Sunni Muslim officers who would keep the country together. "We were so sure the Iraqi military would do the job," says an administration official. "Why get involved in a messy ethnic or religious uprising?" Instead, the Army rallied around Saddam against the Kurds and Shiites.

Strains in leadership: Now, the postwar Bush administration policy for getting Saddam out of Baghdad is much like the Democrats' prewar policy for getting him out of Kuwait: press him politically and economically until he cracks. This is having at least some effect (page 28). American intelligence reports speak of "serious strains" in the leadership. In early November, Saddam fired his son-in-law, Lt. Gen. Hussein Kamel Hassan, as defense minister and replaced him with a cousin, Ali Hassan al-Majid. The unusual shake-up was reportedly accompanied by an exchange of gunfire among supporters of the two men. **NEWSWEEK** has learned that several leading civilian party members have been assassinated in the capital in recent weeks. U.S. officials say these incidents suggest that Saddam was blustering when he went on television last month to scoff at Bush's call for a coup. The regime "is incredibly brittle. When pressed, it won't bend. It will shatter," claims a senior State Department official.

Yet for all the perplexing machinations in Baghdad, diplomats there see no loosening of Saddam's basic grip on power—or his will to survive. He and his inner circle are using Jordan, Turkey and Iran as conduits to import food, embargoed equipment and luxury items and to export used construction equipment and small amounts of oil. More ominously, **NEWSWEEK** has learned that U.S. intelligence recently tracked a shipment of arms—possibly artillery and armored vehicles—originating in Pakistan, a U.S. ally. Not long ago, U.S. intelligence sources say, the Iraqi Air Force briefly scrambled a few jets in violation of the cease-fire accord—apparently as a test of a partially reconstructed air-defense system. Officials worry that Iraq may retain 200 Scud missiles. And David Kay, who led the United Nations nuclear-inspection efforts in Baghdad, says Iraq probably has an undiscovered small "cascade" centrifuge for manufacturing bomb-grade uranium. He also says Iraq's team of bomb scientists is still active.

In November, President Bush ordered his senior aides to conduct a review of U.S. policy on Iraq. State Department officials tell **NEWSWEEK** that within weeks pressure will be stepped up through the United Nations. The U.N. inspectors, who now fly in helicopters protected by only about 50 police from the world organization, will increase unannounced inspections of undeclared sites and also begin destroying facilities dedicated entirely or even partially to Saddam's nuclear- and chemical-weapons program. Though the United Nations has destroyed and dismantled weapons before, "the political symbolism will be tremendous, and potentially explosive, if U.N. inspectors level entire buildings," said a U.S. official.

Beyond this, however, the administration policy review has yielded little new. Rep. Les Aspin, among others, is pushing for a more aggressive plan to have U.S. helicopters escort U.N. inspectors and to use seized Iraqi assets to finance a U.N. relief opera-



A Kurdish Peshmerga stands guard last month

tion within Iraq over Saddam's objections. National Security Council aides lean toward more aggressive measures, but other Bush advisers remain cool toward anything close to open-ended U.S. involvement in Iraq's internal affairs. The CIA, which does extend covert support to dissident Iraqi exiles, is skeptical that Washington can directly engineer a coup. Colin Powell is adamant that no troops be committed unless the president is prepared to order another Desert Storm-size expedition. "Other than us keeping pressure on and making clear that the Iraqis understand that the future's a bleak one as long as he's around, this is something the Iraqis are going to have to resolve themselves," says a senior U.S. official.

The administration's best-case scenario now is that food riots will divide Saddam's power base, by forcing the Army to choose between firing on the people and disobeying Saddam. But this seems farfetched, given what happened when the Shiites tried to make it happen after the war. "What does President Bush mean?" protests exiled Shiite Mowaffak al-Rubaie, a member of the radical al-Daawa group. "These iron-fisted dictators have to be crushed from the outside." Iraqi opposition groups have recently met under Syrian and Iranian auspices to contemplate joint action, but the groups are riven by political and confessional divisions and, except for Shiite clerics with ties to Iran, few of them have much of a following inside Iraq. George Bush's dilemma remains: he can't afford to get rid of Saddam, and he can't afford not to.

CHARLES LANE with MARGARET GARRARD WARNER,
JOHN BARRY, DOUGLAS WALLER and ANN MCDANIEL
in Washington, RAY WILKINSON in Baghdad and
CHRISTOPHER DICKEY in Paris

THE DAY WE STOPPED THE WAR

A year after Desert Storm, Saddam is still in power. Did the fighting end too soon? A behind-the-scenes look at the decision to halt the war.

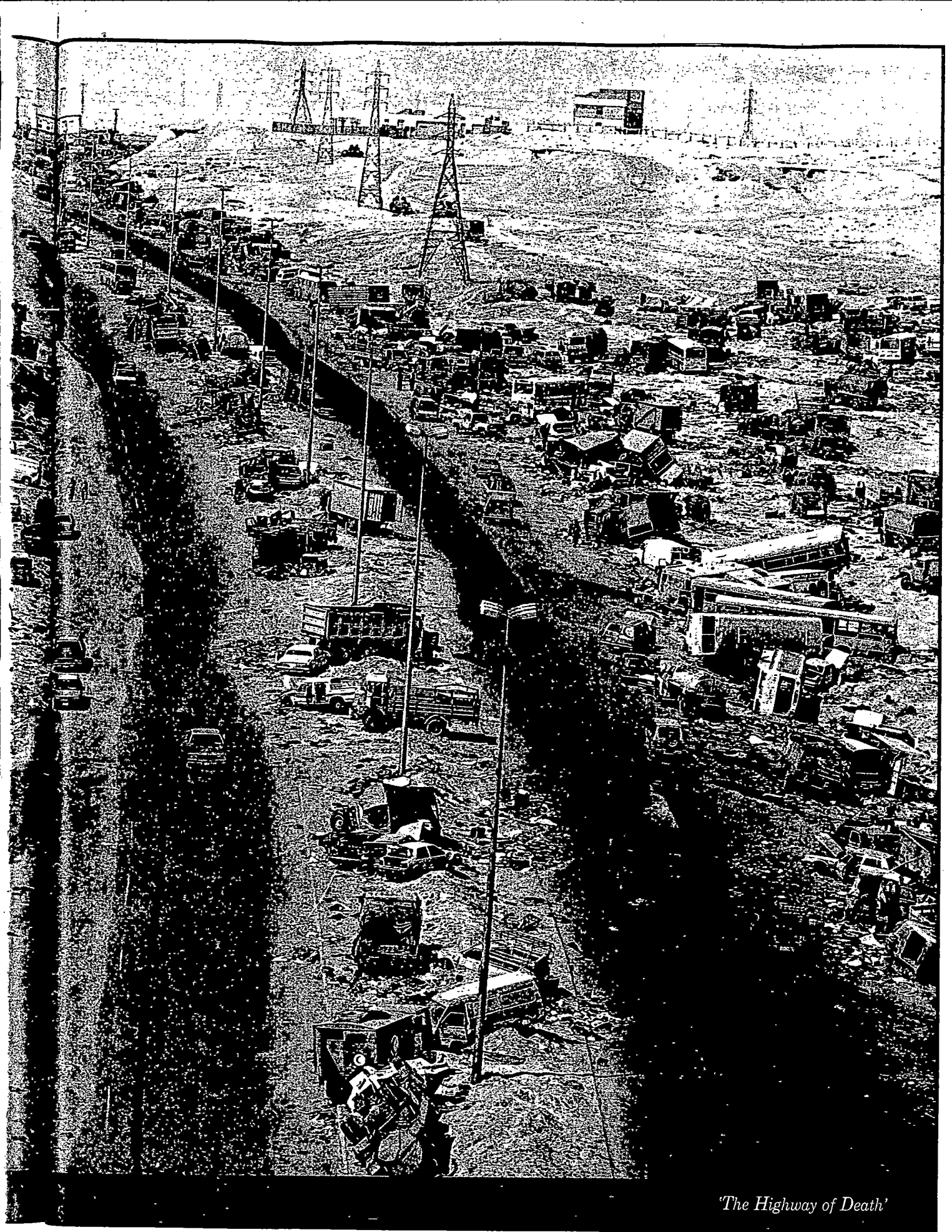
Few war leaders have ever faced as pleasant a dilemma as the one that awaited George Bush on Feb. 26, 1991—for on that day, Bush learned that his high-stakes gamble in the Persian Gulf was finally paying off. Over the previous six months, Bush had essentially bet his presidency on the showdown with Saddam Hussein. He had struggled to build a multinational coalition against Iraq and deployed 443,000 U.S. and allied troops, together with their high-tech weaponry, in the Persian Gulf. And everything worked—the smart bombs, the Stealth fighters, even the daring armored assault that was even now grinding 41 divisions of Iraqi troops into the bloody sand. Operation Desert Storm, launched in controversy and culminating in what its commander rightfully called a “Hail Mary pass,” was turning into a spectacularly easy victory.

The dilemma that faced the president that morning, then, was exactly when and where to stop. Six weeks of the most precise bombing in the history of modern warfare had reduced the Iraqi Army to a brainless, stumbling hulk. The ground campaign, now about 60 hours old, was rapidly smashing through and around the demoralized invaders, and with miraculously low allied casualties. Beyond Gen. Norman Schwarzkopf’s advancing armored columns, thousands of Iraq’s best troops were streaming north in a ragged collection of tanks, trucks and stolen cars toward what would soon be known as the Highway of Death. So much for the fourth biggest Army in the world.

And so the mood, when Bush convened his top advisers in the Oval Office that morning, was one of jubilation, pride and relief. The inner circle—the “Gang of Eight”—consisted of Bush, Dan Quayle, Secretary of Defense Dick Cheney, Secretary of State Jim Baker, White House chief of staff John Sununu, national security adviser Brent Scowcroft and his deputy, Robert Gates, and Gen. Colin Powell, chairman of the Joint Chiefs of Staff.

It was Powell’s job, as Bush’s chief military adviser, to sum up the situation on the ground, and he did so in forceful terms. Allied





'The Highway of Death'

forces were advancing so quickly that the primary objective—expelling the invaders from Kuwait—would be achieved within 24 hours. The Iraqi Army was already broken as an effective fighting force, and unbelievable carnage was being inflicted on the survivors retreating along the main road out of Kuwait. To press the attack further, Powell argued, "would be un-American and unchivalrous." "The way Colin presented it, to have pursued the campaign beyond where we did would have been just a massacre," an administration aide recalled—and another official, among those present in the Oval Office that day, says there was no real disagreement with Powell's conclusion. The next day Bush took Powell's advice and announced the cease-fire.

Today many senior U.S. military officers and civilian officials believe that decision was a mistake. The primary reason is obvious: Saddam Hussein, defying every expectation, has survived a catastrophic military reversal and now seems to be as firmly in control of Iraq as ever (page 26). Although the war unquestionably wrecked the cream of the Iraqi Army—and though the United Nations has apparently dismantled Iraq's nuclear-weapons program—many Western analysts believe the dictator has rebounded politically and that he is newly determined to reassert himself as a player in the gulf region. At the Pentagon, Desert Storm is increasingly viewed as a case of unfinished business—and the fear now, as one Army officer put it, is that "we're going to be back [to the gulf] doing this again in three to five years."

Lucky strike: The real concern is not, as some have argued, that the victorious allied forces should have driven straight through to Baghdad. Invading Iraq was clearly beyond the United Nations mandate that bound Bush and his allies, and it almost certainly would have involved the United States in a costly and nasty land war 6,000 miles away. By the same token, those who now see Desert Storm as something less than a complete victory do not necessarily argue that the United States should have targeted Saddam Hussein. Bush and his advisers wanted Saddam out: they said so publicly, and they hoped that a crushing military defeat would quickly force his overthrow. But they saw no practical way, short of a lucky bomb strike during the air campaign, of ending the dictator's career, and despite contrary reports, Saddam's elimination was never an explicit objective of U.S. policy.

The real complaint within the military—the reason Desert Storm now leaves a sour taste in the mouths of many American military people—is that the timing of Bush's cease-fire order stopped allied forces just a few miles short of their final objective. That objective was to encircle and destroy the entire Iraqi invasion force in the Kuwait theater. Instead, approximately two divisions of the Iraqi Republican Guard and an all-important fleet of helicopters and 500 to 700 tanks escaped the allied trap by retreating northward from the battlefield on two roads near the Iraqi city of Basra that could easily have been blocked by U.S. forces. "I can't think of another case where a victorious army has declared a unilateral cessation of hostilities," says military analyst Jeffrey Record. "Hitler's 'stop' order in 1940, which saved the British Army [at Dunkirk], is, I suppose, the closest parallel. From a purely military point of view it was a mistake, no question." A senior U.S. officer is more disparaging. "It was a blunder," he says. "Whose fault was it? There's enough blame to go around."



Joint Chiefs Chairman Colin Powell



Commander in chief George Bush

PHOTOS BY WALLY McNAMEE—NEWSWEEK

This failure to "close the pocket" at Basra is the untold story of the gulf war. The Bush administration, which still hopes to use Desert Storm as a trump card during the 1992 campaign, is eager to keep the current rumbles of dissent and recrimination under wraps. But in a monthlong investigation of the closing days of the war, NEWSWEEK has learned that:

The Ones That Got Away

Some critics say the Feb. 28 cease-fire was premature, allowing Saddam's troops to escape north with enough tanks and artillery to start rebuilding the Iraqi Army.

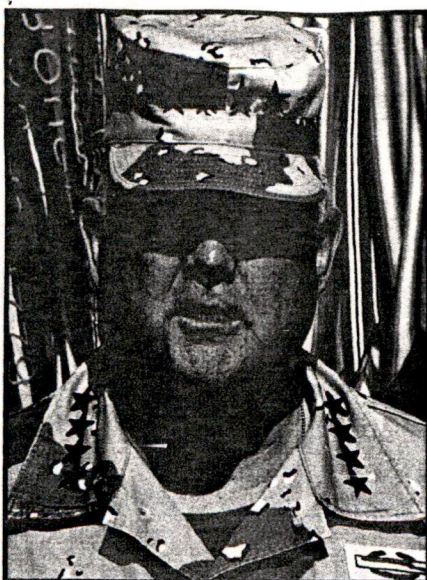
U.S. and Allied Deaths

- 146 U.S. troops killed in action
- 159 U.S. troops dead outside combat
- 244 allied troops killed in action

Iraqi Deaths and Equipment Losses

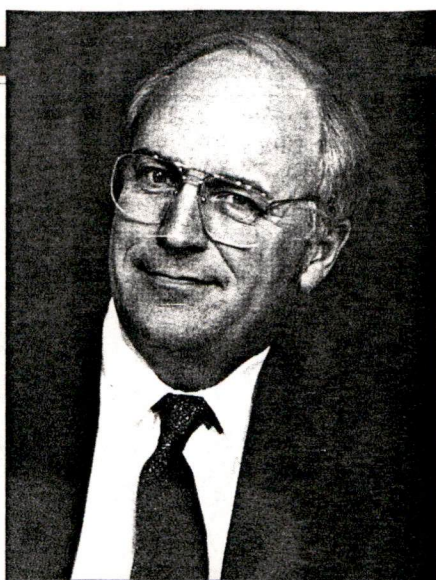
- 70,000-115,000 military killed before the cease-fire
- 2,500-3,000 civilians killed during the air war (ground-war death statistics not available)
- 100,000-120,000 civilians dead after the cease-fire from civil unrest or war-related ailments
- 703 tanks remaining, 15% of prewar total
- 1,430 armored personnel carriers remaining, 50% of prewar total
- 340 artillery remaining, 10% of prewar total

SOURCES: DEPARTMENT OF DEFENSE, U.S. CENTRAL COMMAND, U.S. INTELLIGENCE AGENCIES, GREENPEACE USA



Gen. Norman Schwarzkopf

GREG GIBSON—DOD POOL



Secretary of Defense Dick Cheney

WALLY McNAMEE—NEWSWEEK

■ Gen. Norman Schwarzkopf and other senior U.S. officers privately opposed the cease-fire order and recommended that allied forces be allowed more time—at least 24 hours, and possibly two or three days—to complete the encirclement of the retreating Iraqis.

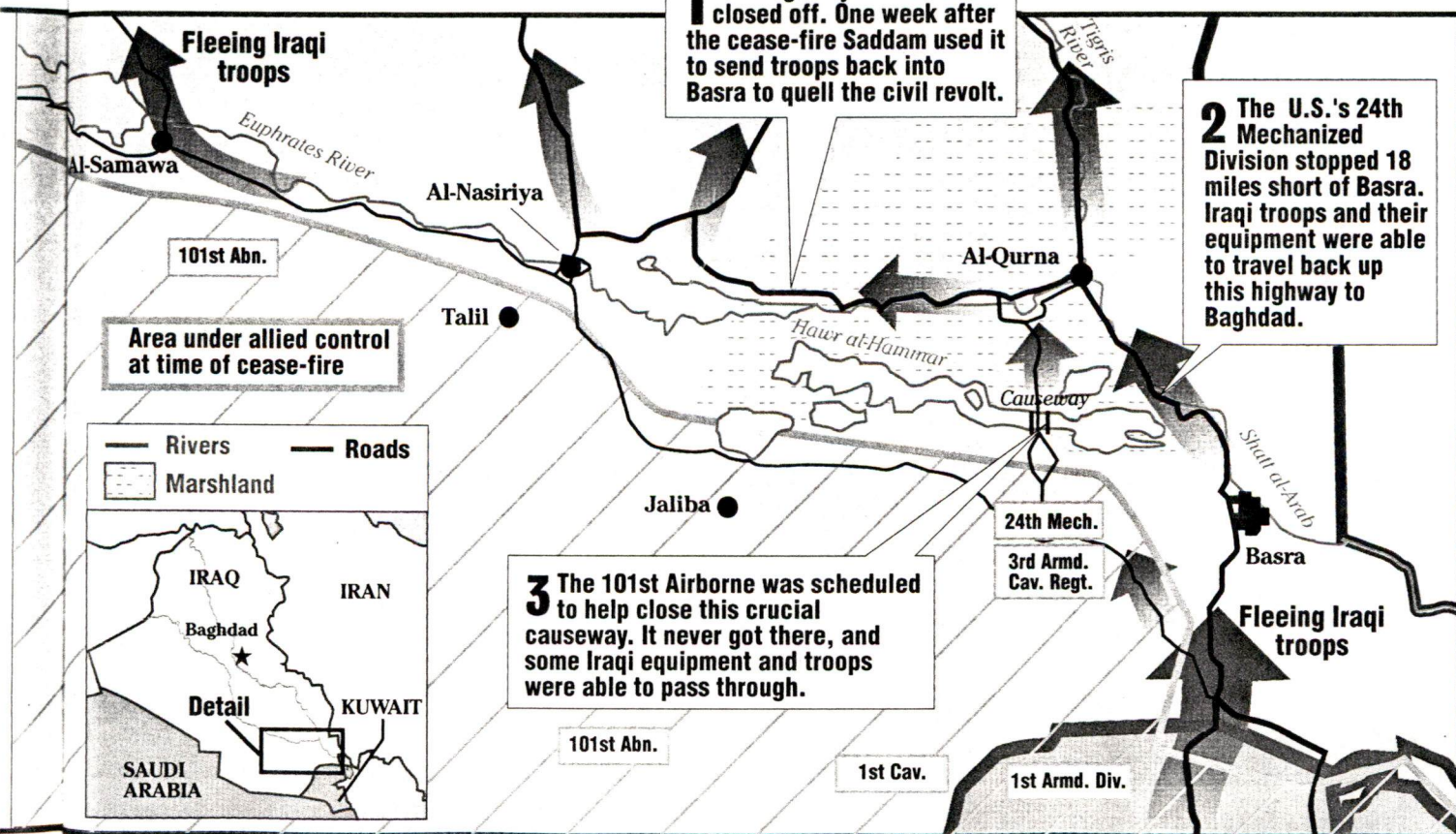
■ Powell is widely criticized for misjudging the situation on the ground and failing to report it

accurately to Bush and the Gang of Eight. But Schwarzkopf, who by law reported directly to the president, had at least two opportunities to express his misgivings to Washington and failed to do so.

■ Two key allies—the British and the Saudis—were incredulous at the American cease-fire order. Gen. Sir Peter de la Billière, commander of British forces in Operation Desert Storm, is said to have gone “ballistic” at the news, and British Foreign Secretary Douglas Hurd questioned the decision in a face-to-face meeting with Bush. But Bush, citing Powell’s advice, was adamant.

Powell refused NEWSWEEK’s request for an interview on the controversy. So did Schwarzkopf, who is now writing a memoir of the war (NEWSWEEK plans to publish excerpts of the book). De la Billière, interviewed in London, said “there was no particular debate” about the timing of the cease-fire. “The only question I would raise is whether we should have demanded more out of the peace discussions” with Iraqi military leaders. “But that’s a political question. I’ve got my own views, but I’m getting out of my depth and we’d better keep off of it.”

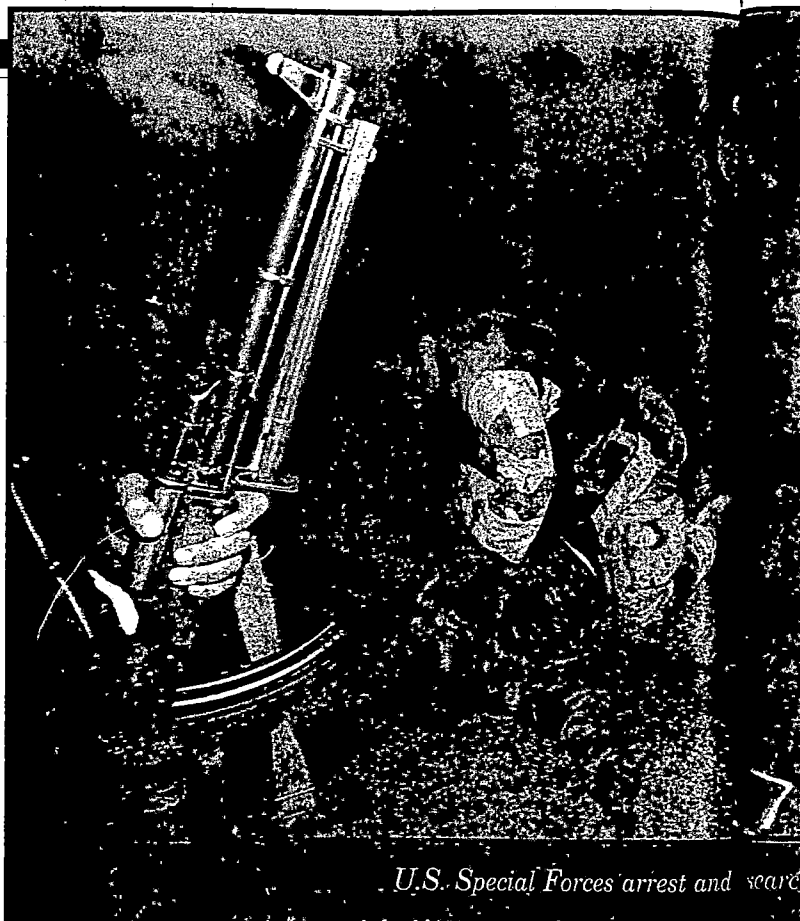
But NEWSWEEK’s interviews with dozens of ranking U.S. officers and civilian officials suggest that the resentment over this lost opportunity runs deep. Bush’s national-security adviser, Brent Scowcroft, is said to have been “livid” when he learned of the failure to block the road out of Basra—although Scowcroft, like many others, insists for the record that he does “not think we ended the war too soon.”



An aide said Schwarzkopf does not intend to replay the dispute in his forthcoming book. But other associates pointedly recalled the general's postwar comments to television interviewer David Frost. "My recommendation had been, you know, continue the march," Schwarzkopf said then. That comment prompted an immediate call from Bush himself and led to a public apology by Schwarzkopf, who said he had misspoken himself. But did he? Aides say Schwarzkopf had in fact planned his comment to Frost and that it revealed his true feelings about the timing of the ceasefire. "He wanted to plant the seed so that history would accurately reflect what his views were," an aide said.

Sorting out these disagreements requires a closer look at the last 24 hours of the war—the situation on the ground and the situation in Washington. By the second day of the ground war, the Iraqi forces in Kuwait were already outflanked by the allied forces that raced, unopposed, across southern Iraq from the west. On Monday evening, Feb. 25, Maj. Gen. Buster Glosson, the Air Force's top targeter for the air war, sat in the "Black Hole," the crowded basement floor of the Royal Saudi Air Force Headquarters in Riyadh, where the U.S. Central Command secretly developed its massive air campaign. Since the air war began, the planners in Glosson's command were becoming more involved in the control of day-to-day sorties. Events were now moving too quickly; air tasking orders (ATOs) prepared two days in advance often were out of date almost by the time they were printed. Glosson had control over the ATOs and was changing them constantly because the battlefield had become so fluid.

Packing up: Glosson was preparing his evening briefing for Schwarzkopf on the next day's targets when the phone rang. The call was from an officer in the Kuwaiti resistance in Kuwait City, a man who was one of Glosson's most reliable intelligence sources



U.S. Special Forces arrest and search

Rethinking the Lessons of Desert Storm

Military lesson No. 1 from the gulf war: don't look for sweeping lessons. The United States enjoyed a fistful of advantages it's not likely to have again. They included the support of a broad international coalition, a host country with world-class ports and airstrips, six months to get ready and a vastly overrated enemy who showed little will to fight. The result was a desert cakewalk, not a template for future conflicts. The Army is already treating the campaign as an anomaly, rewriting its war-fighting doctrine to prepare for what Desert Storm wasn't—a lightning, "come as you are" war where troops arrive ready to fight. "When history is written, Desert Storm will be a footnote," says historian Earl Tilford.

While the war has slid quickly from view, it still offers valuable insights and cautionary tales. A short list:

High tech pays, but people still

win wars. Investment in precision weapons and stealth was vindicated in the gulf. But it was tough, realistic training of a highly motivated all-volunteer military in the 1980s that made the real difference in Desert Storm. "Technology was the headline, but training is the story," says James Dunningan, a war-gaming expert and former consultant to the Army War College. Some worry that the military will learn the wrong lesson, ponying up billions of dollars for new weapons and scrimping on training. The Strategic Defense Initiative (SDI), moribund before the war, has received a major budget boost based on the disputed performance of the Patriot antimissile system.

Ground forces need fine-tuning. While the Air Force transfixed television audiences last year with precision wizardry, the brief ground campaign obscured problems. The highly

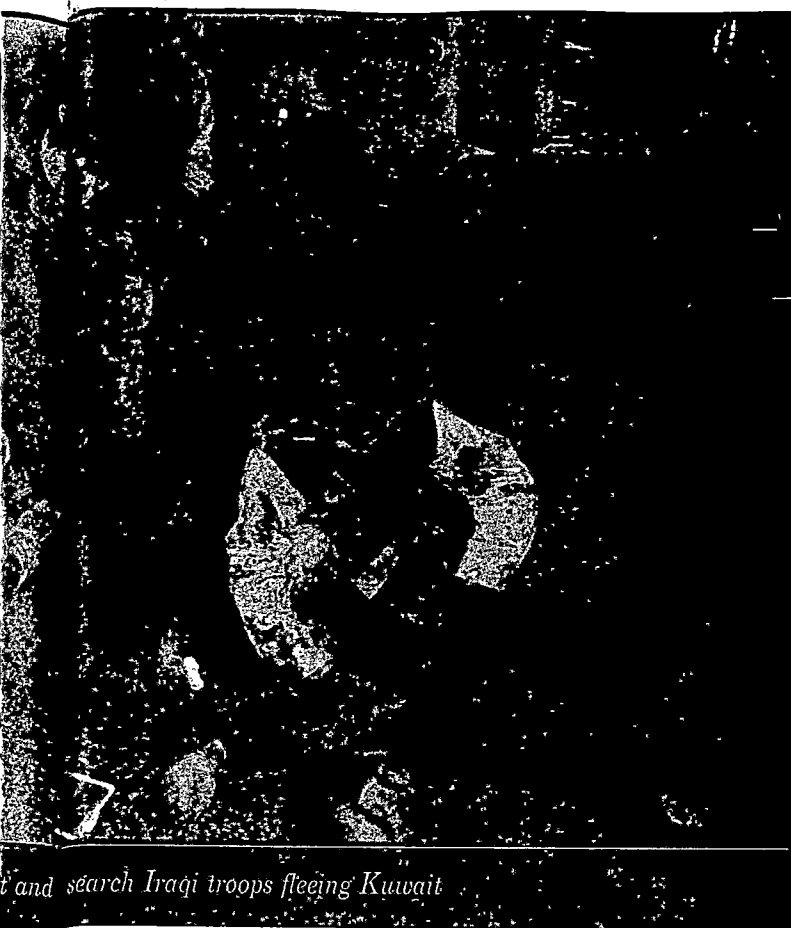
touted M-1A1 tanks tore across the desert battlefield with unprecedented speed and lethality, but their gas guzzling (only a half mile to the gallon) strained the Army's resupply ability. Field-artillery units also reported that they could not keep up with the tanks they were supposed to support. The inferior sighting system on the Fire Support Team Vehicle (FIST-V) meant that tanks were firing at targets that artillery teams couldn't even see. The Mine-clearing Line Charge (MICLIC), designed to breach Iraqi minefields, didn't save soldiers from digging up mines by hand.

Air power dominated, but don't count on an encore. Desert terrain and Saudi airstrips set the stage for a devastating campaign that quickly achieved air superiority. But a region with dense jungle or mountains might have posed problems. Even in this ideal setting, the Air Force had trouble finding

mobile Scud launchers. Bad airborne cameras and limits on satellites and tactical reconnaissance aircraft made timely bomb-damage assessment difficult. Because of incompatible computer links, the Air Force had to send daily bombing-target orders to Navy pilots by courier.

Take greater precautions against friendly fire. It killed 35 of the 146 Americans who died in gulf combat and wounded 72. Most were traveling in armored vehicles. Tank commanders are searching for a version of IFF (Identification Friend or Foe), a radio system in U.S. warplanes that helps pilots avoid fratricidal accidents. The Army is not likely to find a quick solution. "The regime for identifying friend from foe was not set up to move with fast tanks," says defense analyst Ralph Ostrich.

Move faster and get there with more. The 82nd Airborne and the Marines got to Saudi Arabia quickly but were vulnerable to armored attack. Eight fast sealift ships took nearly



and search Iraqi troops fleeing Kuwait

during the war. "They're packing up," the source said. Glosson walked over to the Tactical Air Control Center. "What's the JSTARS picture showing?" he asked. JSTARS—the Joint Surveillance Tactical Attack Radar System—is the Pentagon's most advanced airborne radar platform for monitoring enemy vehicles and movements.

JSTARS shows nothing, came the reply.

"Call me if anything starts to develop," Glosson said.

Two hours later the phone in Glosson's office rang again. "Come down here a minute," said the caller from the TACC. JSTARS had begun picking up movement north from Kuwait City. The picture on the radar screen was fuzzy but revealing: there were big, cohesive Iraqi convoys rolling north on Highway 6 toward Basra. "It was the mother of all retreats going north," says Brig. Gen. Tony Tolin, who was monitoring the exodus that night.

Kuwaiti officers in the Tactical Air Control Center assured their American counterparts that the convoy was purely Iraqi military. No Kuwaitis were in it, so the allies could bomb it to bits as far as the Kuwaitis were concerned. The American targeters never completely trusted the judgment of their Kuwaiti colleagues: to the Americans, the Kuwaiti officers seemed less than concerned about the safety of Arab guest workers left behind in their occupied country. But in this case the intelligence appeared to confirm the Kuwaiti assessment.

JSTARS immediately began diverting Air Force and Navy fighter-bombers on patrol against Scud missile launchers to Highway 6. But the weather was lousy and the planes had trouble finding and stopping the convoy. Only the F-15E Eagles could fly under the bad weather and strike. Glosson telephoned one of his wing commanders. A fiery North Carolinian, Glosson had become an instant legend in the Black Hole for getting things done no matter whose

a month to deliver the 24th Infantry, a mechanized division. But it arrived with tired, 10-year-old M1 tanks and threadbare Bradley Infantry Fighting Vehicles that had to be replaced before the fighting began. National Guard "round out" brigades that were supposed to augment active divisions never made it out of stateside training. While the United States received well-deserved kudos for logistical prowess, it was dependent on coalition partners who might not be around to help next time. A new report by the General Accounting Office says lo-

gistics arrived in Dhahran in August 1990 with five forklifts. They borrowed 800 transport trucks and 5,000 tankers from the Saudis. There was confusion as well. When a detachment from the Army's Tiger Brigade went to the port of Jubail looking for spare tank parts, a duty officer pointed to a mile-long line of cargo crates and asked, "Do you know what container they're in?" No one had a list of the contents. The soldiers didn't get their parts. A longer war, or a tougher foe, might have played havoc with supply lines. By the end, some units faced critical short-

ages of fuel and munitions.

Strengthen on-the-ground intelligence. Electronic spying pinpointed practically every telephone switching station and cable in Baghdad so Air Force smart bombs could knock them out. But lack of human intelligence and overreliance on technology left the United States in the dark on Iraqi intentions. Spies also overestimated the size and ability of Iraq's forces, underestimated its nuclear program and never had a clear idea of how many Scuds Saddam had. Overlapping agencies feuded and information was slow in getting to

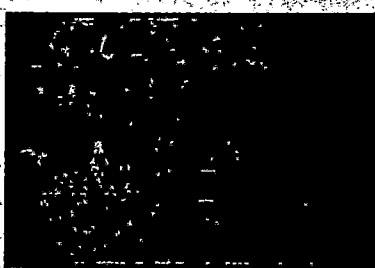
field commanders. "The intelligence sucked," complained one Air Force captain trying to target Iraqi sites. "They kept hoarding their satellite photos and I kept asking, 'What are you saving this for the next war?'"

None of this should obscure the military's achievements. It put together a half-million troops, six carrier battle groups and some 3,000 warplanes almost seamlessly; kept combat casualties to a minimum and, most important, it won. But history suggests that losers learn more from wars than winners. Defeat burns lessons into the soul of a country, as it did to the United States after Vietnam. "We could get ourselves into a lot of trouble by reading our reviews," says Bob Griffith, a historian and former armored platoon leader in Vietnam. How much trouble? American warriors may not find out until the first battle of the next war.

BILL TURQUE with DOUGLAS WALLER, TONY CLIFTON and DAVID H. HACKWORTH



As oil facilities burn, a U.S. tank advances in the desert



What night-vision goggles do

feathers were ruffled. The weather was something he couldn't change and it had been mercurial through most of the air and ground war. An aide recalls Glosson once having an Air Force weatherman on his knees sweating bullets in front of a map because he couldn't accurately predict the weather in Baghdad.

"Look, I know everybody's already flown tonight," Glosson told the wing commander. "But get them out of bed and put them in F-15Es and tell them to head for Kuwait City." Glosson realized the crews hadn't been briefed on the mission: JSTARS would feed them the target coordinates along the way. The mission would be dangerous. The convoy had been firing back at attacking fighters with anti-aircraft guns and shoulder-fired, heat-seeking missiles. "I fully expect to lose some airplanes," he told the wing commander. "But I want that convoy stopped, period."

A dozen F-15Es scrambled and successfully bombed the front of the convoy in the early morning hours of Feb. 26 near the Mutla Pass, a critical chokepoint on the way into Iraq. That blocked the convoy from dispersing across the desert and escaping further bombing. After turning the lead vehicles into rubble in an attempt to block the road, the F-15Es flew south and attacked the rear of the convoy to seal it off from behind. More than 1,000 vehicles were trapped.

Tuesday morning the weather cleared. Air Force and Navy fighter-bombers swarmed over the length of the convoy, turning it into smoking rubble. Many of the Iraqi soldiers had fled their vehicles that night. Others tried vainly to drive around the traffic jam. In coldly clinical Air Force parlance, the convoy was a "target-rich environment." Soon after JSTARS detected convoys on Highway 6, Navy pilots patrolling the Kuwaiti coast spotted a second convoy fleeing up the eastern highway parallel to Bubiyan Island. Navy jets were scrambled to halt that retreat as well, and the Bubiyan highway also became a killing zone.

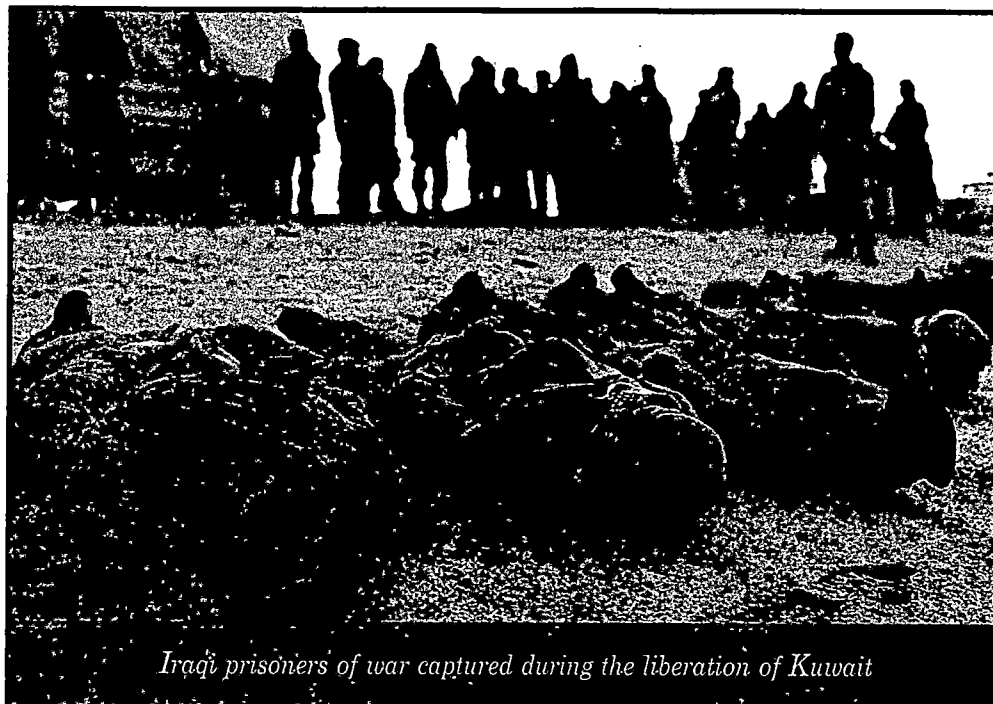
Panicked flight: Reporters and photographers covering the war later reached Highway 6 with Desert Storm's ground forces. They recorded the carnage that stretched along that road for miles, producing gut-wrenching images of charred bodies in the blackened hulks of bombed-out vehicles. Trucks, personnel carriers and hundreds of civilian vehicles lay strewn along the road. U.S. Army officers who later came upon the devastation were sickened by what they saw. The media dubbed it the "Highway of Death." Human-rights groups were outraged. "It wasn't a tactical retreat," said Kenneth Roth, deputy director of the New York-based Human Rights Watch. "It was a panicked, desperate flight and these were just lowly soldiers trying to get the hell out of there. It appears that this was a case of senseless slaughter."

For the military men and women who attacked Highway 6 that night, the reactions were more complex. To this day, there is no doubt in their minds that the convoy was a valid military target. Pilots who were revulsed by the oil fires that blackened the skies of Kuwait had no qualms about killing the soldiers who had set those fires. Glosson's intelligence also revealed that the convoy was not solely made up of lowly privates. He insists there were senior military leaders in some of the stolen cars—officers who had presided over the rape of Kuwait.

If there was any regret, it is that the Iraqis put themselves in such a vulnerable position. Air Force Maj. John Kinser was

flying aboard an AWACS directing the planes swooping down on Highway 6. Why the hell didn't they get out of their cars and trucks, Kinser thought. The Air Force was interested only in destroying military equipment: soldiers fleeing on foot wouldn't be attacked. "I remember thinking to myself: 'The dumb shits, why didn't they just walk out?'" Kinser recalls. "We wouldn't have had to do this to them. That was the low point in the war for me. A couple of times I found myself thinking, 'Man, this is just a slaughter down there.' I understand why this was done. But I really felt for the Iraqi soldier. They just didn't know what they were facing."

Just who—the Air Force and Navy pilots or Army tank units—sealed off the Iraqi escape route along Highway 6 remains a matter of some dispute. The men of the Tiger Brigade of the U.S. Second Armored Division say the bombing did not stop in the Iraqi retreat and that it was their firepower that turned the road into the Highway of Death. Lt. Col. Douglas Tystad commanded one of the



Iraqi prisoners of war captured during the liberation of Kuwait

lead battalions in the ground assault. The attack began in the late afternoon of Feb. 26 and continued through the night as the U.S. tankers pounded the Iraqi convoy from close range. Tystad vividly recalls the barrage of red and green tracer rounds, the great white bursts of explosions in the trapped convoy and the dark silhouettes of frantic Iraqi soldiers backlit by the flames of the burning vehicles. "We didn't know what we had done until the light came the next day," Tystad says. "And now I'm glad we didn't. I think if we had known that all those dismembered and charred bodies were out there, lying in those great pools of blood, we would have had a very spooky night."

What seems incontestable is that the carnage along Highway 6 had a profound effect all the way up the chain of command. Some of the initial damage was done by planes from the carrier USS Ranger—and the Navy pilots' briefing reports were quickly forwarded to Schwarzkopf's headquarters in Riyadh, Saudi Arabia, and on to Washington. Those who now criticize the cease-fire decision think these early reports were given too much emphasis and that Powell and the White House paid too little attention to the more complex picture on the ground. "The attacks on those convoys were militarily irrelevant," said one senior Army source. Another senior source says Washington—Powell and the White House—overreacted. "The word was: 'My God, we're slaughtering

them," this source says. "If they didn't like slaughtering the Iraqis pouring out of Kuwait City, all they had to do was stop it. They could have called off those airstrikes but left the ground campaign to run. But they panicked."

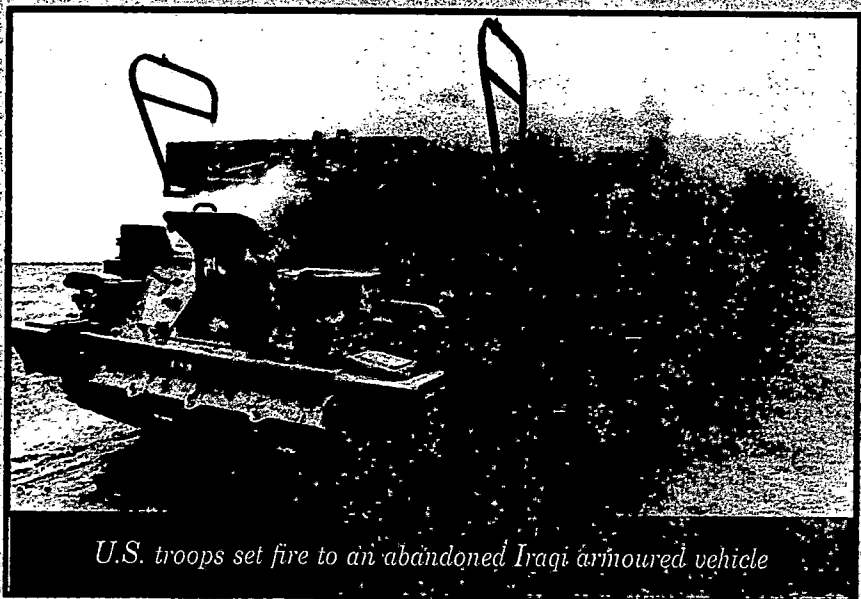
Panicked or not, the White House and Powell were increasingly concerned by the potential impact of the slaughter along Highway 6 on public opinion. Given the history of Vietnam and the fragility of the international coalition against Iraq, it is hard to say this concern was misplaced. But it is still a fact that Powell warned Schwarzkopf as early as Monday, Feb. 25, that the mood was shifting toward an early end to the fighting, and that Powell repeated the warning on Tuesday, Feb. 26, and Wednesday, Feb. 27. Schwarzkopf, according to his supporters, argued each time that he needed more time to close the loop around the Iraqi forces. But he, too, saw the handwriting on the wall, and he put out the word in Riyadh to prepare to shut down the offensive.

Position counts: Senior military sources say Schwarzkopf knew that the roads out of Basra (map) had not been blocked and that he told Powell this was so. But on Wednesday, Feb. 27, Schwarzkopf

apparently did not make this crucial fact clear in a lengthy phone discussion with the Joint Chiefs of Staff in Washington. The chiefs, believing the enemy forces in Basra were in fact cut off, approved an early cease-fire on the condition that the Iraqis would not be allowed to take their equipment—especially the tanks and helicopters—when they marched north in defeat. A Pentagon source blames Powell for the confusion. "What Powell forgot was that in a cease-fire, position is everything," this source says. "The bottom line is that our forces were not where they should have been."

The Gang of Eight assembled in the Oval Office at midday on Feb. 27. Powell told them that the Iraqi Army was so thoroughly dismembered that allied intelligence "can't find divisions, can't find brigades, can't find battalions. It's all just shattered." Bush asked, "Do you want another day?" No, Powell replied, "by tonight there really won't be an enemy there. If you go another day, you're basically just fighting stragglers." To this day, senior White House officials say they agree with Powell's analysis. "When Colin said we had accomplished our military objectives, no one questioned his judgment. Most of the others in the room wanted out of the war

What the Soviet Military Knew



U.S. troops set fire to an abandoned Iraqi armored vehicle

What was Moscow's view of Norman Schwarzkopf's "Hail Mary" flanking maneuver that encircled the Iraqi Army? "The plan was not highly original," the Soviet military thought. What about all that high-tech American weaponry that worked flawlessly? "To be objective [it was used under] ideal conditions in the absence of any serious return fire and electronic countermeasures."

The Pentagon isn't the only one learning lessons from Desert Storm. The Soviets have taken their own microscope to the war. NEWSWEEK has obtained a Defense Intelligence Agency translation of a "Soviet Analysis of Operation Desert Storm," apparently prepared by Soviet military officials in Moscow and Baghdad. Pentagon sources say a Soviet offi-

cer attending a recent Harvard University seminar gave a copy of the report to the seminar's organizers, who passed it along to the Defense Department.

The report reveals that the Soviet military kept close tabs on the force it now may never fight. The 78-page study, complete with maps of American and Iraqi troop dispositions, says the U.S. Army conducted "more than 150 exercises" at American bases to prepare for battle. And by Moscow's count, each U.S. soldier consumed "76 liters per day" of water in the desert. The report grudgingly gives the Pentagon high marks. Its command and control and "large-scale transport movements" were "highly effective." But there are caveats: "one should not exaggerate the capabilities of

the new weapons." Other assessments:

■ The Soviets appeared dumbfounded that Bush ended the war so soon and let Saddam get away with part of his Army intact. Their explanation: faulty intelligence must have "deceived the higher political leadership" on "Iraq's combat potential, which led to adoption of incorrect decisions."

■ The Soviets sometimes assigned more prowess to the Pentagon than it deserved. Before the ground war started, Schwarzkopf's deputy, Lt. Gen. Calvin Waller, blurted out to reporters that the allies weren't yet ready to attack. The Soviet report concludes that this was part of a massive deception campaign in which "a special group of journalists was set up" to feed false information to Iraq.

■ Moscow believed that "one of the most important missions" of the American air war was targeting Saddam himself. But the Soviets concluded this must have been more of a psychological operation against the dictator than a real assassination attempt because the mission "was illuminated in too much detail in the open press."

■ The report is thin-skinned about criticism of Soviet weapons the Iraqis used in the war. It claims that Moscow's best equipment wasn't fielded and what was used was in the hands of incompetents. Talk about "defeat" of Soviet arms "is a premeditated propaganda trick by the West" to create the impression "that we are not so strong."

The bottom line on America's victory in Desert Storm? "In our view this euphoria is illusory and dangerous," the report concludes, particularly if Washington thinks "that all problems can be solved by military force." That's sound advice, even if it did come from our old enemy.

DOUGLAS WALLER in Washington

for other reasons. They were happy to hear Colin say it was time to stop." The lone dissenter, NEWSWEEK has learned, was Quayle, who initially questioned whether the war might be ending too soon. But the vice president backed down when Powell and Cheney insisted there were no more military objectives to be accomplished.

The finale came when Powell and Bush called Schwarzkopf from the Oval Office to discuss the exact timing of the cease-fire. Powell talked first, during the midday meeting of the Gang of Eight. But "Powell had already told [Schwarzkopf] ahead of time that the president was going to stop the war," a Pentagon source claims. "The way Powell presented it to Schwarzkopf, how could he object?" Bush then got on the phone to see if Stormin' Norman had any objections. Schwarzkopf, evidently trying to be a good soldier, voiced no protest of the cease-fire or its timing to the commander in chief. The cease-fire was now scheduled for midnight, or 8 a.m. Feb. 28, Riyadh time.

Douglas Hurd, Britain's foreign secretary, arrived in Washington that day, Feb. 27, for a previously scheduled meeting with Bush. Hurd cautiously probed for assurance that the Iraqis were completely encircled and that the job was done. According to British sources, the president used the word slaughter and repeatedly referred to Powell. When Hurd said the information reaching London indicated that the land campaign was not completely wrapped up, Bush said, "That's not what Colin tells me." Case closed. "We were philosophical about it," says Charles Powell, the chief foreign-policy aide to Prime Minister John Major. "The United States was the biggest partner in the coalition, and it was in the best position to judge." A Saudi diplomat, similarly, says his government deferred to the president to make the right decision. "Look, we were the junior partners," this diplomat said. "[King Fahd] would never have presumed to substi-



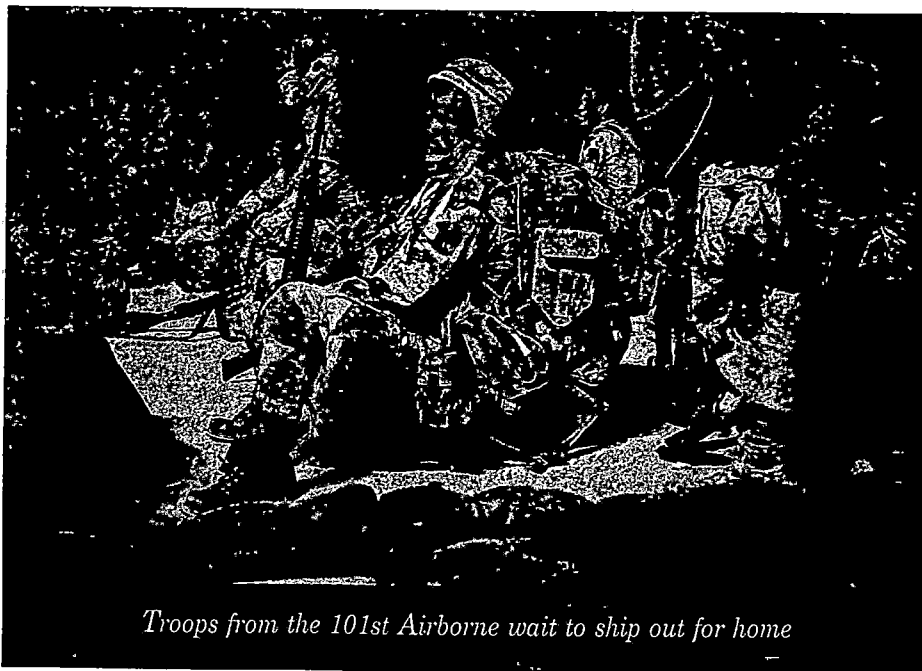
tute his military judgment for the president's. This ultimately was Bush's war to prosecute."

The unanswered (and perhaps unanswerable) question is just how much difference it all made. Given the wholesale destruction of the Iraqi war machine during the wider war for Kuwait, it is unlikely that the capture of only two divisions at Basra would have spelled certain doom for Saddam Hussein. It is further arguable that Powell, Bush and the others were ultimately correct in fearing the political consequences of the bloodbath along Highway 6, and that Schwarzkopf and his allies at the Pentagon were naive about the potential for political harm. "If you looked at pictures of that highway up there and the masses of destroyed vehicles—one more day of that and you had trouble," a White House official says. "What we would be accused of doing was engaging in a turkey shoot of people who were no longer fighting, but just trying to get out."

The Shiites: But the possibility remains that the failure was critical to Saddam's survival and therefore to the dismal outcome of the war within Iraq. The Republican Guard units at Basra, together with their tanks and helicopters, in fact were instrumental in the brutal suppression of the Shiite rebellion that erupted around the city shortly after the cease-fire. Some of Powell's critics now suggest that Saddam Hussein might well have been toppled by the combination of the Shiite rebellion in the south and the simultaneous uprising by the Kurds in northern Iraq. If that is so, the Basra blunder was a small snafu with very large consequences—and it was surely disastrous for the Shiite rebels. "I had a friend with the Second Armored Cav. who was on our side of the line watching [the helicopters] strafing Shiite civilians," Lt. Col. Douglas Tystad recalls. "He had the missiles to shoot them down, so he called back for permission to fire and was told 'absolutely not.' I'm glad I wasn't where he was."

Such brutal ironies, it can be said, are the inevitable price of war. Tystad is probably typical of those who fought in the Persian Gulf in having mixed feelings about the slaughter on Highway 6. He is certain that his tank battalion could have gone on to Basra if they had been ordered to, and like everyone else, he has sometimes wondered whether they should have gone all the way to Baghdad. The right answer, he believes, is no. "Our mission was to free Kuwait and restore its legitimate government," he says. "If we had driven into Iraq we would have lost the moral high ground, and in the eyes of the rest of the world we would have gone from being liberators to invaders. When it ended as it did, we felt we had triumphed in a righteous cause. A year later, I still feel that way."

DOUGLAS WALLER and JOHN BARRY, with ANN MCDANIEL and MARGARET GARRARD WARNER in Washington, DANIEL PEDERSEN in London, and TONY CLIFTON and TOM MORGANTHAU in New York



Troops from the 101st Airborne wait to ship out for home

Bush Exempted 13 Officials From Conflict-of-Interest Laws

Action Allowed the Group to Advise President on Libya

Associated Press

President Bush has exempted 13 top officials from federal conflict-of-interest laws so they may advise him on how Libya can be "punished and isolated" for the bombing of Pan Am Flight 103.

Three of the officials—Secretary of State James A. Baker III, then-Commerce Secretary Robert A. Mosbacher and national security adviser Brent Scowcroft—have large oil investments. One tactic proposed by foreign policy experts has been an oil embargo against the North African nation.

The unusual group waiver was granted by Bush less than a week after two Libyan intelligence officers were indicted by the Justice Department and Britain last November in the 1988 airliner bombing over Lockerbie, Scotland, that killed 270 people.

A president is known to have granted a similar group exemption only once before: In August 1990, Bush similarly waived the law for 11 top officials so he could get their advice on "policies and military measures" to counter the week-old Iraqi invasion of Kuwait.

Although both waivers are public documents, neither was publicly disclosed until requested by the Associated Press.

It is a felony for federal officials to take or recommend government actions that directly affect their finances, but a boss can waive the law if the financial interest is too small to influence them. In both waivers, Bush wrote that although some officials would not need the waiver, others have "substantial financial interests in industries that may be affected."

In the Libyan waiver, Bush concluded, "In my judgment, the nature of the current situation and the gravity of the measures under consideration by the United States are such that even the substantial financial interests held by some of you could not be

deemed likely to affect the integrity" of their actions. His Iraq waiver was almost identical.

"We now face a series of decisions on steps the international community should take to ensure that a major perpetrator of state-sponsored terrorism—Libya—is both punished and isolated," Bush wrote.

Gary Davis, general counsel of the Office of Government Ethics, could not recall another group waiver since waivers were authorized in 1962. But the ethics office was only set up in 1978 and, while agencies frequently consulted it on waivers, they were not required to until 1989.

Mosbacher, who left government Jan. 14 to chair Bush's reelection campaign, controlled more than \$9.5 million in oil and natural gas exploration, production and transportation assets.

Baker has a blind trust that does not shield him from the conflict statute, because it is not diversified. In 1981, he put in oil company stock and other oil investments worth at least \$500,000 and perhaps more than \$1 million. Public records show the trust still holds most of those assets, but the records do not disclose current value.

Scowcroft holds oil and oil-services stock worth between \$51,000 and \$115,000.

Treasury Secretary Nicholas F. Brady, Office of Management and Budget Director Richard G. Darman and White House counsel C. Boyden Gray have blind trusts diversified enough to shield them from the conflict law. Few if any holdings of the others posed obvious problems. They were: Attorney General William P. Barr; Defense Secretary Richard B. Cheney; White House Press Secretary Marlin Fitzwater; CIA Director Robert M. Gates; then-Transportation Secretary, now White House Chief of Staff Samuel K. Skinner; then-Chief of Staff, now counselor John H. Sununu; and Energy Secretary James D. Watkins.