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FOIA MARKER

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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Office of the President
Series: Daily Files
Subseries:

OA/ID Number: 90552
Folder ID Number: 90552-013

Folder Title:
Tuesday, July 3, 1990

Stack:	Row:	Section:	Shelf:	Position:
V	12	12	1	4

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (1 pp.)	07/03/90	(b)(2), (b)(6)	
01b. Log	White House Telephone Log [President Bush] [redaction of personal information] (1 pp.)	07/03/90	(b)(6)	
02a. Note	Notes of Presidential Phone call with Prime Ministers Martens of Belgium, Lubbers of Netherlands, and Schlueter of Denmark (1 pp.)	07/03/90	(b)(1)	
02b. Memo	From Philip Zelikow to Brent Scowcroft (2 pp.)	n.d.	(b)(1)	
02c. Notes	Handwritten notes of phone call to Prime Minister Martens of Belgium [one page double-sided] (2 pp.)	07/03/90	(b)(1)	
03a. Paper	Issue Paper (1 pp.)	n.d.	(b)(1)	✓
03b. Talking Points	Points to be made (1 pp.)	n.d.	(b)(1)	✓

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Tuesday, July 3, 1990

Pinksheet Number: dw1743
OA/ID Number: 90552-013
Date Closed: 6/10/2010
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

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Date Closed: 6/10/2010	OA/ID Number: 90552-013
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

July 3, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	8:14 AM		Conference Call: Prime Minister Ruud Lubbers (b)(6)	LW with Mrs. Dik 8:28 AM Tlkd-ok 1:28 PM
INC	PM	1:35		
OUT	AM		Mr. R. Nicholas Burns White House Situation Room (b)(2)	
INC	PM			
OUT	AM		Mrs. Sandra L. Kelly White House Situation Room (b)(2)	
INC	PM			
OUT	8:30 AM	8:51	Conference Call: Prime Minister Wilfried Martens (b)(6)	Tlkd-ok 8:44 AM
INC	PM			
OUT	AM		Mr. R. Nicholas Burns White House Situation Room (b)(2)	
INC	PM			
OUT	AM		Mrs. Sandra L. Kelly White House Situation Room (b)(2)	
INC	PM			
OUT	8:30 AM	10:58	Conference Call: Prime Minister Poul Schluter (b)(6)	LM with Mrs. Baruah 8:53 AM Tlkd-ok 10:52 AM
INC	PM			
OUT	AM		Mr. R. Nicholas Burns White House Situation Room (b)(2)	
INC	PM			
OUT	AM		Mrs. Sandra L. Kelly White House Situation Room (b)(2)	
INC	PM			
OUT	AM		Mr. Ronald A. Jackson, Jr. (b)(6)	Tlkd-ok 4:00 PM
INC	3:58 PM	4:01		
OUT	AM		Dr. Lawrence C. Mohr, Jr. Walker's Point, Kennebunkport, Maine Kennebunkport Signal x384	Tlkd-ok 4:25 PM
INC	4:25 PM	4:26		

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01b. Log	White House Telephone Log [President Bush] [redaction of personal information] (1 pp.)	07/03/90	(b)(6)	

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Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Tuesday, July 3, 1990

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AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

JULY 3rd

, 19 90

	TIME		DISC	NAME	ACTION
	PLACED				
OUT		AM		MR. RONALD L. JACKSON	DA AT RESIDENCE, LW ON RECORDING, TOLD MRS. ROSE
~~INC~~	4:02	PM		(b)(6)	
OUT		AM			ZAMARIA. MR. JACKSON RETURNED CALL 4:55 P.M. PRESUS OUT ON THE BOAT,
INC		PM			LW WITH MR. DONALD RHODES.
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
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INC		PM			
OUT		AM			
INC		PM			

PRESIDENTIAL MOVEMENTS

LOCATION Kennebunkport, Maine

DATE 3 July 1990

[illegible]



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JULY 3, 1990 -- 6:00 A.M. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

BUSH SAYS PROPOSALS WIN GENERAL ACCEPTANCE FROM NATO ALLIES -- President Bush said Monday the U.S. has gotten "broad general agreement" from its European allies on a package of proposals the Administration plans to make to them formally later this week, including a proposal to make nuclear arms "weapons of last resort."

(Chicago Tribune, Dallas Morning News, Los Angeles Times, New York Times, Newsday, Washington Post, AP, Reuter)

BONN AGREES TO ALL-GERMAN ELECTIONS IN DECEMBER, SOURCE SAYS -- Chancellor Kohl has set December 2 as the date for all-German elections to lead the way to full unification, a source close to Kohl said Tuesday.

(Reuter)

NATIONAL NEWS

ECONOMISTS SEE FED LEANING TOWARD LOWER INTEREST RATES -- Federal Reserve policymakers meeting Tuesday are probably tilting toward nudging interest rates lower this summer, many economists predict.

(AP)

S&L MESS MAY SPARK A THOROUGH OVERHAUL OF DEPOSIT INSURANCE -- The Bush Administration isn't saying so publicly, but it is looking for ways to trim the federal insurance on deposits in banks and savings and loan associations.

(Wall Street Journal)

NETWORK NEWS (Monday Evening)

SOVIET PARTY CONGRESS -- President Gorbachev had to launch an aggressive defense of all he's done.

NATO -- President Bush has been talking Monday about his ideas for changing NATO's nuclear policy in Europe.

FOREIGN DEBT -- The government reported that Americans' net debt to the rest of the world jumped 25 percent last year.

INTERNATIONAL NEWS...A-1

NATIONAL NEWS.....A-12

NETWORK NEWS.....B-1

INTERNATIONAL NEWS

BUSH SAYS PROPOSALS WIN GENERAL ACCEPTANCE FROM NATO ALLIES

KENNEBUNKPORT -- President Bush said Monday the U.S. has gotten "broad general agreement" from its European allies on a package of proposals the Administration plans to make to them formally later this week, including a proposal to make nuclear arms "weapons of last resort."

Senior officials here and in Washington described the proposed declaration on the use of nuclear weapons -- one of a dozen American proposals being presented to U.S. allies for their comments -- as a "bridge" to a new European defense doctrine for NATO. "A declaration that nuclear weapons will be used only as a last resort is not incompatible with flexible response," an official said, calling the language "a modification and clarification meant to reassure" the Soviets....

Bush, who met here Monday with a dozen of his top aides in preparation for the summit, sidestepped questions on whether the last-resort use of weapons was a reversal of the flexible-response and first-use doctrine. "We'll wait and see what comes out of the NATO meeting," he said. "But I'm encouraged because I think we've got a good position here."

The President said, "I don't want to understate where we're going or overstate it. But some will look at it as this major change in direction and others won't."

(Ann Devroy, Washington Post, A8)

Bush To Promote Changing NATO While Keeping U.S. Leadership

President Bush goes to the NATO summit this week pressing initiatives that reflect the lessened military confrontation between East and West but that also would ensure the continuation of a pre-eminent U.S. role in the alliance and on the European continent.

In a letter to the NATO allies, Bush has proposed sweeping changes in the structure and mission of NATO that significantly modify its role while at the same time reaffirming the need for American leadership, Administration officials and NATO sources said.... Bush specifically suggested altering a 30-year alliance doctrine reserving the right of "first use" of nuclear weapons and having NATO declare instead that it would use nuclear weapons only as a last resort....

At his holiday home in Kennebunkport, Bush huddled with top aides for a final policy review Monday and told reporters he expected the allies to accept his proposals and "unanimously set the course for the future." ...

The proposals Bush sent to fellow alliance leaders have been under discussion between Bonn, London, Washington and other NATO capitals for weeks and have virtually complete approval in Europe, NATO officials said.... Bush's semantic change will reflect the realization that the conventional balance of power has changed on the ground, officials said. "It is a big difference from before that sends a healthy signal to the Soviets," said one NATO military attache in Washington.

(George de Lama & Timothy McNulty, Chicago Tribune)

-more-

Bush Seeks To Give NATO New Role, Reassure Moscow Before Summit

BRUSSELS -- President Bush, seeking to reassure Moscow and make NATO a more political body in the post-Cold War era, has devised a surprise plan for changes in the Western alliance.

His plan...includes a significant rewording of long-standing nuclear doctrine and an offer to withdraw all U.S. nuclear artillery shells in Europe.

Alliance sources said Monday the proposals, apparently aimed at persuading the Soviet Union that NATO with a united Germany as a member would pose no threat, could help reshape the alliance so that it can survive in more peaceful times.

"It took us by surprise," said one NATO diplomat.

"If approved, these measures would mark a real change in the way NATO does business -- both militarily and politically," said another source, who asked not to be identified. "We want to reassure the Soviets about our intentions."

(Nicholas Doughty, Reuter)

Bush Said To Alter NATO Nuclear Stance

KENNEBUNKPORT -- President Bush met here with his top national security advisers Monday as he completed preparations for this week's NATO meeting, saying that he expects the meeting to produce "interesting developments" but no "bombshell." ...

Bush has sent allied leaders a letter outlining U.S. proposals for the two-day summit in London. Prominent on the list, officials say, is a proposal for a new NATO declaration that nuclear weapons would be used in Europe only as a last resort....

Above all, Bush and his aides hope that their new wording will head off a suggestion some Europeans have made that NATO go further and pledge "no first use" of nuclear arms.... Even though there is almost no prospect any longer of a Soviet invasion of Europe, NATO still must be prepared for that possibility, Administration officials say.

(David Lauter, Los Angeles Times, A6)

NATO Proposals

As he prepared to leave for back-to-back summits with America's major allies, President Bush conferred with his top foreign-policy advisers Monday to put the final touches on a package of proposals reshaping western defense policies to fit a changing Europe. Under the plan, to be unveiled formally at the NATO summit Thursday in London, the Western Alliance would raise its threshold for use of nuclear weapons, and the U.S. would offer to remove its 1,400 nuclear-tipped artillery shells from Europe if the Soviet Union withdrew all its troops from foreign soil.

"As conditions have changed, NATO will change," the President told reporters at his family's retreat in Kennebunkport....

Other experts agreed that the proposals simply recognized the new political realities in Europe. But they said the package would reassert U.S. leadership of the alliance and reassure the Soviet Union of NATO's peaceful intentions. They said that could help ease the way for Germany's rapid reunification.

"These proposals are pushing at an open door," said Robert Hunter of the CSIS. "...He is taking the lead rather than being dragged behind."

(Susan Page, Newsday)

-more-

Bush Proposal Revives Debate Over Use Of Nuclear Arms

President Bush is suggesting a change in NATO's nuclear doctrine that is a modest shift away from atomic brinksmanship, analysts say. But the Cold War question remains: When would the West use its deadly nuclear arms?...

By calling U.S. nuclear forces in Europe "weapons of last resort," Bush is suggesting the U.S. would wait longer to initiate a nuclear battle than it would under existing NATO doctrine, said John Steinbruner, director of foreign policy studies at the Brookings Institution.... Steinbruner said the use of the term "last resort" seemed to suggest the Administration was contemplating only a moderate shift in NATO doctrine, since Bush apparently would not rule out that NATO could be the first to fire battlefield nuclear weapons.

"They're dancing rhetorically around the subject," Steinbruner said....

Frank Gaffney, director of the conservative Center for Security Policy, said he interpreted Bush's proposal as an attempt to placate the Soviet Union.... Gaffney said Bush's proposal would erode the credibility of NATO, since it would bring the alliance closer to renouncing all use of nuclear weapons in Europe....

David Shorr, associate director of the British American Security Information Council, a private organization based in London and Washington, said Bush's proposal amounts to a rhetorical device with little substantive meaning.

(Robert Burns, AP)

Bush Plan May Alter NATO Dramatically

KENNEBUNKPORT -- President Bush met with his top advisers Monday to iron out details of U.S. proposals that could significantly alter NATO.

"Some will call it dramatic policy changes and others won't," the President said before his four-hour meeting and lunch with advisers. "And so I don't want to understate it.... But there will be some changes, but I don't happen to believe that it's of a bombshell dimension." ...

But Bush and his aides were cautious on Monday about discussing the specifics of the U.S. ideas for NATO's future; the Administration was still consulting with its European allies.

"I think our side is generally agreed on the big questions," the President said. "And then before we comment on these items we're going to talk to our allies." ...

Later, while playing golf with Quayle for the first time since their election, the President said of his summit preparation meeting: "We covered a lot of ground. Ready, ready for NATO.... Our side is very much together and we've got the positions of the other countries. Very important work, but I think we're in pretty good shape on it now." National Security Adviser Scowcroft, also at the golf course, did not elaborate much. "We made a number of suggestions and proposals to our allies," he said. "A number of others have made suggestions and that's what the meeting is all about."

(Kevin Merida, Dallas Morning News)

Nuclear Strategy Shift?

President Bush's proposal that NATO's nuclear weapons should become an arms system of "last resort" maintains the alliance's position that it has a right to use nuclear weapons first in response to a Soviet conventional attack. But Bush Administration officials say that the "last resort" suggestion is more than a simple reiteration of past policy.

They contend that it reflects a significant desire to reduce the alliance's long-standing dependence on nuclear weapons and adjust to the new military realities in Europe....

In a confidential letter to the allied leaders, the contents of which became known Sunday, President Bush called for the adoption of a strategy under which the alliance would make "its nuclear force truly weapons of last resort."

Bush, in his still unpublished letter, also wrote of the importance of "modifying flexible response to reflect a reduced reliance on nuclear weapons," according to Western officials.

(Michael Gordon, New York Times, A1)

BUSH'S PENTAGON DEFERS TO BAKER'S VIEW OF THE WORLD

When conservatives criticized arms control concessions made in Moscow by secretary Baker, they were without one ally familiar in the Reagan era -- the Pentagon.

The Pentagon was mostly silent, except for a few public statements of support -- a lukewarm endorsement that illustrated one of the most fundamental changes in government brought by the succession of President Bush.

The Pentagon's 750-person policy shop, once dominated by conservatives free to express views that often enraged the bureaucracy, today embodies the "pragmatic" style of the Bush Administration. Activism has given way to the more ruminative and theoretical approach of academics and diplomats....

Now, Defense Department policymakers, headed by Undersecretary Paul Wolfowitz, follow the lead of the State Department on arms control and other national security issues, say analysts inside and outside of government. (Rowan Scarborough, Washington Times, A3)

BONN AGREES TO ALL-GERMAN ELECTIONS IN DECEMBER, SOURCE SAYS

BONN -- Chancellor Kohl has set December 2 as the date for all-German elections to lead the way to full unification, a source close to Kohl said Tuesday.

The West German leader accepted the date agreed upon Monday night by East Germany's coalition leaders..., the source added.

(Reuters)

LIGACHEV ATTACKS REFORMISTS AS PARTY CONGRESS RESUMES

MOSCOW -- Soviet hardliner Yegor Ligachev, in an implicit attack on President Gorbachev, Tuesday condemned what he termed the "thoughtless radicalism" of the past five years of reform.

In a speech to a congress of the faction-ridden Communist Party, Ligachev...also hit out at Gorbachev's top liberal aide, Alexander Yakovlev.

"Thoughtless radicalism, improvization and swinging from side to side have yielded us little good during the past five years of perestroika," Ligachev told about 4,700 delegates.... "Some people have started talking about perestroika going ahead with or without the party," [he said in a reference to Yakovlev]. "I think that perestroika without the party of the communists is hopeless. I believe the party will remain Marxist-Leninist." (Reuter)

Gorbachev Seizes Initiative

MOSCOW -- President Gorbachev took the offensive against his hard-line critics Monday at the opening session of a landmark Communist Party congress, declaring that the Soviet Union faces a "dismal" future if his program of restructuring fails.

Addressing a hall packed with party bureaucrats and senior military officers, Gorbachev acknowledged that the crisis confronting the world's second superpower had deepened during his five years in power. But, while conceding that "mistakes" had been committed by the present leadership, he put most of the blame on "the extremely grim legacy that we inherited."

...A taste of what is in store for Gorbachev and his colleagues came at the start of Monday's session when a deputy from the far eastern town of Magadan demanded that none of the outgoing leaders be allowed to sit on the party's Presidium. The proposal was rejected, but the hall did assure its right to examine the individual performance of each Politburo member....

Gorbachev called for "more resolute measures" to dismantle the discredited system of central planning and replace it with a market-oriented economy. But he also distanced himself from the government's latest economic reform package..., describing the emphasis placed on a series of early price hikes as "absurd."

(Michael Dobbs, Washington Post, A1)

Deal With Hard-Liners Suspected

President gorbachev yielded crucial ground to hard-line Communists on the first day of the 28th Communist Party congress Monday, strengthening suspicions that he had struck a deal with them in order to keep his job.

Despite his by-now ritualistic attacks on hard-liners, Gorbachev...made it clear he was ready to abandon more far-reaching plans to restructure or further weaken the Communist Party in the face of overwhelming mainstream Communist hostility to any such move. "This move suggests Gorbachev is leaning toward the conservatives for certain purposes," said Helmut Sonnenfeldt of the Brookings Institution, former director of Soviet research at the State Department. He appears to be offering them concessions on party structure and procedure in order to extract some support from them for economic reform." (Martin Sieff, Washington Times, A1)

-more-

No One 'Lost' East Europe, Gorbachev Says

MOSCOW -- Weighing in on the recent Kremlin debate over "who lost Eastern Europe," President Gorbachev contended Monday that the freedom of foreign nations is not the Soviet Union's to give or take away.

In his speech to the opening session of the 28th Communist Party Congress, Gorbachev rejected the imposition of ideology on former allies as a remnant of the Stalinist past that he has been trying to exorcise with perestroika.

"When somebody says that this is the 'collapse of socialism,' we counter it with the question: What socialism?" Gorbachev said, discussing Soviet foreign relations. "That which had been, in point of fact, a variation of Stalin's authoritarian bureaucratic system -- which we have ourselves discarded?"

(Carol Williams, Los Angeles Times, A10)

Gorbachev Dodges Demand For Resignation, Calls For Unity

MOSCOW -- Mikhail Gorbachev parried a demand on Monday that he resign and urged unity among bickering factions of the Communist Party in what he said was a race to keep the country from becoming a second-rate power.

Despite a lack of enthusiasm for his 2-hour, 20-minute speech opening the Communist Party's crucial 28th Congress, the Soviet leader appeared to have papered over differences between reformers and traditionalists with equal doses of confrontation, conciliation and confession....

President Bush was asked in Kennebunkport about the criticism Gorbachev was getting from hard-liners.

"I know the feeling," Bush quipped. (Mark Porubcansky, AP)

SOVIETS SAY BLOCKADE OF LITHUANIA IS LIFTED

MOSCOW -- The Soviet economic blockade against Lithuania has been completely ended after a breakthrough in the crisis over the republic's declaration of independence, Prime Minister Ryzhkov was quoted as saying Monday.... Ryzhkov, in comments to the unofficial news agency Interfax, said the entire range of punitive measures had been lifted.

(Reuter, New York Times, A12)

JAPAN RELUCTANT TO JOIN SOVIET AID PACKAGE

TOKYO -- Japan is reluctant to join an aid package for the Soviet Union at the Houston summit and will participate only if the other six members agree to go ahead and leave Tokyo isolated, officials and diplomats said Tuesday.

...The Japanese Foreign Ministry said last week that while Japan was in the process of considering aid to Eastern European countries, the Soviet Union was not included....

But a Western diplomat said Tokyo's position could change if there was a strong consensus among the other six that an aid program was necessary to keep Mikhail Gorbachev in power.

"Tokyo does not want to be isolated. If it was pressed by the others, it would agree but try to water down the commitment to make it as vague and general as possible," the diplomat said.

(Mark O'Neill, Reuter)

**U.S. FOREIGN DEBT UP 25% TO \$663 BILLION IN 1989
Federal Report Leaves Out The Bottom Line**

America's debt to the rest of the world jumped by 25 percent to \$663.7 billion last year, according to new federal figures. But in releasing them Monday, the Commerce Department omitted that bottom line total -- which underscores the U.S.'s position as the world's largest debtor nation -- saying the figures were not reliable.

Allan Young, director of the Commerce Department's Bureau of Economic Analysis, said the government withheld the total because current numbers understate the worth of U.S. overseas investment by valuing them at prices paid as long as 40 years ago.... Young said government economists are studying ways to end the distortion.

...Monday, congressional Democrats and private economists complained that the government was using the statistical arguments to hide one of the most embarrassing economic results of the Reagan and Bush Presidencies: the conversion of the U.S. from the world's largest creditor nation as recently as 1983 to the largest debtor nation.

"The Administration is trying to redefine our global debt problem instead of dealing with it," Sen. Bentsen said.

(Stuart Auerbach & John Burgess, Washington Post, C2)

PARLIAMENT PROCLAIMS FULL SOVEREIGNTY

LJUBLJANA, Yugoslavia -- The Parliament in Yugoslavia's northern republic of Slovenia proclaimed the state's full sovereignty on Monday.

The declaration provides for establishing an independent legal system that would take precedence over federal laws and for Slovenian control over armed forces stationed in Slovenia, state media said.

But the document made no mention of earlier calls for the republic to secede from the Yugoslav federation. It said Slovenia should adopt a new democratic constitution within the next 12 months.

(AP)

JURY CLEARS MARCOS IN FRAUD CASE

NEW YORK -- Imelda Marcos, who frequently wept during three months of testimony about her voracious shopping habits as First Lady of the Philippines, was acquitted Monday of charges that she stole more than \$200 million from her homeland and used the money to buy jewelry, artwork and four Manhattan skyscrapers....

"I thank the mighty God for the vindication, and I am in great awe and respect for the jury system that symbolizes the soul of the American people," a numb-looking Marcos said as she hugged her son, Bong Bong, and daughter, Irene.... Saudi financier Adnan Khashoggi, 54, was acquitted of charges that he aided Marcos's scheme and obstructed justice in the case....

Jury forewoman Catherine Balton...said in a brief telephone interview that "the case was poorly prepared by the government and there was no proof." ...Juror Thomas O'Rourke...told the AP that "the government did a terrible, terrible job" and the jury's first vote was 10 to 2 for acquittal. "It was a totally silly case," he said.

(Howard Kurtz, Washington Post, A1)

-more-

Marcos Acquitted, U.S. Government Embarrassed

NEW YORK -- The world's most famous shopper wept with joy, the U.S. government suffered a huge embarrassment and Philippines spokesmen said justice was not done to the millions who suffered under Ferdinand and Imelda Marcos's rule.

A Manhattan Federal Court jury, after hearing 95 witnesses over three months, acquitted Mrs. Marcos of racketeering and fraud charges Monday.... "There was no evidence in this case.... There was nothing to convince any of us there was a case," said jury forewoman Catherine Balton, a retired secretary....

In Washington, Attorney General Thornburgh said, "We are disappointed that the jury was not persuaded by the evidence. However, the efforts by the U.S. Attorney's Office in bringing this important case to trial under difficult circumstances are to be commended."
(Arthur Spiegelman, Reuter)

Aquino 'Disappointed' At Marcos Acquittal

MANILA -- President Aquino said she was "disappointed" that a New York jury acquitted Imelda Marcos of racketeering charges, but stood firm on a decision banning her return to the country.

In a statement issued after the decision in New York Monday...Aquino said she was sorry to hear that the "courageous efforts made by the American prosecution...have not succeeded."

"The acquittal does not alter the national interest and security grounds on which we have premised our decision not to allow the return of Mrs. Marcos at the present time. At the appropriate time, however, she will have to stand before our courts."
(UPI)

LIBERIAN REBELS LAUNCH 2-FRONT ATTACK ON MONROVIA

MONROVIA -- Rebels attacked Monrovia Monday in a two-prong offensive, cutting all major land routes out of the Liberian capital. Heavy automatic gunfire and artillery fire erupted in the eastern and western suburbs.... State-run ELWA Radio, a Christian missionary station, said in its 7 p.m. broadcast (3 p.m. EDT) that the government was imposing a curfew from 6 p.m. to 6 a.m. throughout the country. The radio also said diplomats were advised to stay in their missions or residences.

In response to the rebel onslaught, President Doe rebroadcast his June 25 proposal to include the rebels in a broad-based interim administration to govern until elections next January.

In Washington, State Department spokeswoman Tutwiler said the U.S. is willing to help Doe depart the country if he asks for such assistance. As for the possibility of evacuating remaining Americans, she said the U.S. "is considering all options."

(AP, Washington Post, A1)

LIBERIAN REBELS TIGHTEN NOOSE ON CAPITAL, REJECT PEACE OFFER

ABIJAN, Ivory Coast -- Liberian rebels fighting to overthrow President Doe have tightened the noose around Monrovia, choking off communications and gunning their way to the outskirts of the besieged capital.... Rebel leader Charles Taylor rejected [a] peace offer [reiterated by Doe Monday].
(Gill Tudor, Reuter)

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HUNDREDS OF THOUSANDS STRIKE IN SOUTH AFRICA

DURBAN, South Africa -- Hundreds of thousands of black workers heeded a call Monday by the ANC for a one-day strike aimed at isolating the rival black nationalist movement of Chief Mangosuthu Buthelezi and pressuring the government into stripping him of his power....

The tactic was denounced by Buthelezi's Inkatha organization, which is battling the ANC and its supporters in Natal province. It was also opposed by other black groups, including the Pan-Africanist Congress and its allied labor union, NACTU, as well as the Azanian People's Organization. In addition, the white business community was concerned by the unprecedented resort to a strike by one black group against another, with one industrial association estimating the nationwide cost in lost production at close to \$300 million.

(David Ottaway, Washington Post, A16)

Bombings, Threats Mark Strike For Peace

JOHANNESBURG -- Three bombings and at least six deaths marked a one-day strike organized by the ANC, but opposed by other black groups, that was intended to promote black conciliation.

Explosions Monday in the Johannesburg area damaged two rail stations and the house of an opponent of the work stoppage....

Law and Order Ministry spokesman Leon Mellet said the bombs caused no casualties but were "part of attempts to scare and intimidate workers."

A policeman shot and killed an 8-year-old boy and wounded three children in an incident police said was unrelated to the strike.

(Malcolm Fried, UPI)

MECCA CROWD STAMPEDES, KILLING 1,400

MECCA -- About 1,400 Moslem pilgrims suffocated or were trampled to death Monday in a stampede in a pedestrian tunnel leading to the holy city of Mecca, witnesses and diplomats said.

Diplomats said the stampede began when some pilgrims stopped in the middle of the air-conditioned tunnel and there was a rush outside with people pushing each other to escape the 120-degree heat....

One diplomat put the death toll at 1,400 and said most of the victims were Malaysian and Indonesian pilgrims. Other Middle Eastern and Asian diplomats and witnesses reported the same number of deaths. The Saudi Interior ministry said only that a number of people died or fainted.

(AP, Washington Post, A1)

SAUDI OFFICIAL DENIES THOUSAND KILLED IN TUNNEL STAMPEDE

NICOSIA -- Saudi Arabia Tuesday dismissed reports that more than a thousand Moslem pilgrims were killed in a stampede inside a tunnel near holy shrines in Mecca.

"These figures are exaggerated," a Saudi official told Reuters, responding to U.S. media reports that some 1,4000 people died in the crush.... The Saudi official, who declined to be named, refused to give the death toll, saying it would be announced later Tuesday by Saudi Interior Minister Prince Nayef Bin Abdul-Aziz.

(Reuter)

IRAN'S LEADER THANKS WORLD FOR QUAKE AID, BUT NOT U.S.

NOCOSIA -- President Rafsanjani of Iran sent messages Monday to 98 world leaders thanking them for helping the victims of last month's earthquake, but he left out the U.S.

Iran's official Islamic Republic News Agency, monitored in Cyprus, said Rafsanjani thanked the leaders for their sympathy, financial contributions and material aid.

It listed 98 countries, Soviet republics, Arab emirates or U.N. agencies. But the U.S...was missing from the list.... Also missing from the list was Saudi Arabia. That moderate Arab country provided tents, medicines and food during relief efforts. (AP)

IRAN CANCELS CELEBRATIONS FOR RELIGIOUS FESTIVAL

TEHRAN -- Iran canceled celebrations for a major Islamic festival set for Tuesday because of last month's earthquake, but planned to mark the anniversary of the accidental downing of an Iranian airliner by a U.S. aircraft carrier....

Tehran quietly prepared to mark the anniversary.

(Katayon Ghazi, UPI)

THREE MORE POLICEMEN GUNNED DOWN IN MEDELLIN

MEDELLIN -- Three more policemen were shot to death in separate incidents Monday, police said, as the death toll from Colombia's eleven-month-old drug war continued to mount. (Reuter)

RANSOMED MINER RETURNS TO U.S.

MIAMI -- Wearing an "I [Love] Peoria" t-shirt, an Illinois gold miner freed by Colombian rebels after 61 days returned home to the U.S. Monday, saying his kidnappers had treated him "with great respect."

Scott Heimdal, 27, said he was trying to find words to thank those in his hometown of Peoria who helped his family raise the \$60,000 ransom they gave the communist People's Liberation Army to win his release Friday. (AP, Washington Post, A14)

CUSTOMS TAKES \$22 MILLION IN CASH FROM MONEY LAUNDERERS

MIAMI -- Agents stacked cash 3 feet high atop a 60-foot banquet table from drug dealers who thought they were turning their profits over to money launderers.

The dealers actually were giving their money to undercover agents taking part in a 13-month sting, Customs Commissioner Carol Hallett said Monday....

"This was a money-laundering operation of unprecedented proportions," Hallett said. "And this record seizure should warn the drug smuggler that as each day passes, we're getting closer and closer to them and their drug money."

Only one person, a driver, has been arrested. Hallett refused to disclose whether the sting was aimed at Colombia's cocaine cartels, saying more arrests are expected. (Richard Cole, AP)

PANAMA FILES CRIMINAL CHARGES AGAINST NORIEGA

PANAMA CITY -- Panama has filed 16 criminal charges against toppled dictator Manuel Noriega, including charges of murder, torture, human rights violations and drug trafficking, authorities said Monday.

They said Panama also is suing Noriega for alleged offenses committed while he ran the military. News reports said the suits amount to more than \$5 million....

In Miami, Noriega's attorney, Frank Rubino, said the charges would not affect Noriega's trial in the U.S. He said, however, that "it's possible the Panamanian government could petition this government for extradition." (AP, Washington Post, A19)

SANDINISTAS BEGIN NATIONWIDE STRIKE

MANAGUA -- The Sandinista-led labor force began its second strike since Violeta Chamorro became president and threatened to expand the work stoppage Tuesday if the government fails to respond to union demands.

The National Workers Union, controlled by the opposition Sandinista National Liberation Front, estimated about 40,000 workers were on strike nationwide Monday, short of the union's aim of 50,000.

The Labor Ministry refused to estimate the number of people off the job, but La Prensa...ridiculed the strike as "without force." (Michael Molinski, UPI)

NORTH AND SOUTH KOREA RESUME BORDER TALKS, MAKE PROGRESS

PANMUNJOM -- Senior officials from North and South Korea resumed talks Tuesday and immediately reported progress in setting up an unprecedented meeting between their prime ministers.

During the talks in the border village of Panmunjom, the two sides agreed to set a date for the meeting by July 26. "Two delegates from each side will meet in Panmunjom on Friday (July 6) to work out an agreement and a full preparatory meeting will then be held on July 26 for signing an agreement," a government spokesman in Seoul told reporters.... "Progress made in this preparatory meeting will serve as a landmark for (Korean) reunification and mark a historic turning point," said North Korean chief delegate Paik Nam-jun. (Reuter)

NATIONAL NEWS

WHITE HOUSE CONTRADICTS DOLE ON TAX BOOST

The White House Monday disavowed a statement by Sen. Dole that he does not expect President Bush to propose an increase in income tax rates. Answering questions from reporters accompanying Bush on vacation in Kennebunkport, White House spokeswoman Alixe Glen said Bush has made no such assurances.

"He has not made assurances on anything. Everything is up for discussion," Glen told reporters....

Glen refused to characterize any proposals that were under discussion by Administration and congressional negotiators.

(AP, Washington Post, A14)

Income Tax Increase Not Ruled Out, Bush Aide Says

KENNEBUNKPORT -- The White House on Monday disavowed an influential Senate Republican's statement that President Bush has ruled out income tax increases as part of a deficit reduction deal.

"He's not made any assurances on anything. Everything is on the table and open for discussion," White House deputy press secretary Alixe Glen said, responding to questions about a statement made by Sen. Dole.

Dole had said on a television interview program Sunday that Bush "is not going to raise personal income tax rates.... He's not going to go along with that."

When asked if that statement reflected Bush's views, Glen said: "No. I think that's Sen. Dole's personal prediction.... Right now there is nothing that is ruled out or ruled in."

(David Lauter, Los Angeles Times, A20)

BUSH'S TAX REVERSAL TESTS GOP LOYALTY ON HILL

President Bush faces the prospect of having Republicans in Congress running against him this fall if he forces them to choose between loyalty to them or reversal of their anti-tax stand, the GOP's best campaign issue.

While most Republicans sought to avoid the loyalty issue Monday, they made it clear they weren't about to sacrifice themselves on the altar of Bush's sudden rhetorical fondness for "new tax revenues."

"I don't want to say we'll be running against the President. I'd rather put it that we'll be running on the anti-tax promises we made to constituents in our districts," said Rep. DeLay of Texas.

"It's fair to say that many Republican candidates who met with Bush last week said they were against him on the tax issue," said Tony Blankley, spokesman for Rep. Gingrich. "Depending on how it (the budget summit) plays out, many Republicans could end up campaigning against the President on taxes."

Rep. Solomon went further. The Democrats' latest interpretation of last Tuesday's White House-congressional leadership agreement effectively put the possibility of any budget compromise with the Democrats in the trash can, as far as most House Republicans are concerned, he said.

(Ralph Hallow, Washington Times, A1)

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TAX AGREEMENT SEEN AS AIDING DEMOCRATS IN BUDGET NEGOTIATIONS

Shifting the budget debate from whether to raise taxes to whose taxes to raise puts Democrats on equal political footing with Republicans in deficit-reduction talks between the White House and Congress, political analysts said Monday.

"We're on stronger ground arguing 'which' rather than 'whether,'" said Democratic pollster Harrison Hickman.

Instead of harping on the need to raise taxes, Democrats now have a chance to argue fairness and equity for their traditional constituencies, working- and middle-class Americans. "That has traditionally been an argument Democrats have been able to use," said Carter Eskew, a Democratic consultant.

(John Yang & Steven Mufson, Washington Post, A9)

EDITOR'S NOTES: "Hard Race Made Harder By Bush And The Bailout," by Susan Rasky, appears in The New York Times, page A14.

"Tennessee County Backs Bush Despite Reversal On Taxes, But Other Republicans Assail Switch," by Rodney Ferguson, appears in The Wall Street Journal, page A12.

"No-Tax Pledges Still Out There," by Richard Wolf, appears in USA Today, page 4A.

NO CLEAR-CUT PARTISAN VICTOR EMERGES IN ONGOING SCANDAL

PORTLAND, Ore. -- The savings and loan scandal is fast emerging as the most contentious issue of the 1990 congressional campaign. Recalling how Iran-Contra took the steam out of the Ronald Reagan Presidency, and Watergate drove Richard Nixon from the White House, Democrats are hoping the multi-billion-dollar banking fiasco will be an economic replica of those momentous miscues. But this time the Republicans are determined to hit back, and they have plenty of ammunition.

For example, Democrats planned to use their executive committee and state chairs meeting here last weekend as a venue for a blast by national party chairman Brown at Bush on the S&L issue. But before Brown could deliver his speech lambasting Bush's "total bungling" of the crisis by paying off uninsured depositors and failing to prosecute savings and loan malefactors, the Republicans struck.

Reporters here found their hotel mailboxes stuffed with copies of a press release from Mary Matalin, RNC Chief of Staff, scolding the Democrats for pointing "fingers of blame" while the President "has been rolling up his sleeves," trying to solve the crisis. Matalin...named 10 Democratic lawmakers as "violators of the public trust" because they had received substantial contributions from and-or had done favors for the S&L industry....

But DNC policy director Paul Tully contends that most of his party's candidates will have an advantage because of the difference in the public perception of the two major parties. Tully cites a recent survey by Democratic pollster Stanley Greenberg in which 53% of those interviewed named the Republicans as the party that "pays too much attention to the lobbyists, the rich and people with power," compared to only 16% who named the Democrats.

(Robert Shogan, Los Angeles Times, A5)

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ECONOMISTS SEE FED LEANING TOWARD LOWER INTEREST RATES

Federal Reserve policymakers meeting Tuesday are probably tilting toward nudging interest rates lower this summer, many economists predict.

The move, if it comes, would occur at an ideal time for President Bush. He is looking for a rate cut and renewed economic growth as a reward for abandoning his "no new taxes" pledge and reaching out to Democrats for a deficit-reduction pact.

The Federal Open Market Committee, which began its closed-door, two-day, mid-year policy review on Monday, likely will decide to cut rates in coming weeks as signs of economic softness emerge, analysts said. It may even decide to push rates down immediately by a quarter of a percentage point....

"The Fed never wants to be seen as caving in to politics, but my feeling is for separate reasons...they're going to move," said economist David Jones of Aubrey Lanston & Co., a New York government securities dealer. (Dave Skidmore, AP)

**REGULATORS EASE THRIFT LOAN LIMITS
Builders Had Fought Single-Borrower Rule**

Backing away from a provision of last year's savings and loan rescue that he been blamed for a credit squeeze in the construction industry, federal regulators Monday temporarily raised the limit on the amount that healthy S&Ls can lend to real estate developers.

The OTS issued regulations allowing healthy thrifts to lend any one individual home builders four times as much as the law originally provided and permitting them to renew existing loans to developers of offices, stores and other commercial project....

The transition rule announced Monday by thrift regulators marks the first time the Bush Administration has backed away from a key provision of the thrift reform law, but it gave the developers far less than they were asking for.

"We do not expect this will alleviate the credit crunch," said Kent Colton, executive vice president of the National Association of Home Builders.... "If we could have done it six months ago, the impact on the market would have been better."

(Jerry Knight, Washington Post, C1)

S&L MESS MAY SPARK A THOROUGH OVERHAUL OF DEPOSIT INSURANCE

The Bush Administration isn't saying so publicly, but it is looking for ways to trim the federal insurance on deposits in banks and savings and loan associations.

One Treasury official privately predicts that the department will recommend rolling back the official insurance ceiling from \$100,000 to perhaps \$50,000. Says another Administration aide: "We have to find a way to limit the costs to the taxpayer."

In a switch from the past, Congress, chastened by the cost of the savings and loan disaster, is receptive to some type of deposit-insurance revision, though not necessarily along the lines Treasury plans to propose by year end. "Nobody wants to even remotely believe we would have to face this again," says Sen. Dixon...who sits on the Banking Committee.

(Paul Duke, Wall Street Journal, A1)

**DEMOS SHOULD MAKE VETO OF FAMILY BILL
A CAMPAIGN ISSUE, CONGRESSMAN SAYS**

Democrats should try to make President Bush's veto of a family medical leave a major issue in this fall's campaigns, Rep. William Clay, a prime sponsor of the measure, said Monday.

Clay suggested in an interview that Congress postpone its vote to override Bush's veto to keep the issue alive until the campaign season. "We should keep this hanging over Bush's head -- and the heads of those in Congress who support his veto," Clay said.

He said it was unlikely that the House and Senate could muster the two-thirds majority needed for an override of Bush's 13th veto.

Bush is "veto-crazy," charged Clay, who was also a prime sponsor of the Hatch Act revision bill....

At a discussion Monday sponsored by the National Commission on Children, both Secretary Sullivan and Phyllis Schlafly, president of the conservative Eagle Forum, defended Bush's veto. Sullivan said family medical leave was a "laudable goal." But he said the bill was "not the best way to achieve this, because the unintended consequences -- in terms of our economic competitiveness, viability of our businesses --- would really in the larger sense work counterproductive to that."

Clay, in his interview, disagreed. He described as "baloney" the argument...that mandated leave would hurt competitiveness....

"Our chief competitors -- Japan and West Germany -- have had such leave programs for years," Clay said. "It doesn't seem to have hurt them much." (Robert Koenig, St. Louis Post-Dispatch)

HUBBLE MONITORS SAY THEY WERE OVERWORKED, OVERCONFIDENT

Former government scientists and outside experts appointed by NASA to review the manufacture of the Hubble Space Telescope's mirrors said Monday that they were often overworked and overwhelmed by the task and did not rigorously check crucial tests done by the mirror manufacturer.... "We could not possibly be the watchdogs," said William Fastie, an optical expert at Johns Hopkins University and one of two specially appointed telescope scientists on the Science Working Group. In hindsight, the contractor had "more autonomy than they should have had," Fastie said. "(Perkin-Elmer) had a sweetheart deal." (William Booth, Washington Post, A4)

NASA SAYS MISALIGNMENT MAY BE CAUSE OF SHUTTLES' FUEL LEAK

CAPE CANAVERAL -- Groping for clues to the fuel leaks on two of its three space shuttles, NASA officials said Monday the problem might have been caused by a misalignment between the orbiters and their external fuel tanks.

That suspicion was raised by shuttle managers in Washington as they urged Congress not to cut more money from NASA's fiscal 1991 budget....

"Even in difficult times like today we have to keep a vision of the future," NASA Administrator Richard Truly said. "If we shy away just because times are tough, future generations will never forgive us." (John Glisch, Orlando Sentinel)

EDITOR'S NOTE: "Can U.S. Get Things Right Anymore?" by John Burgess, appears in The Washington Post, page B1.

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NAVY HELICOPTERS GROUNDED IN CRASH PROBE

NORFOLK -- In the wake of an accident that killed four Norfolk-based air crew members, the Navy again has taken its fleet of H-46 Sea Knight helicopters out of operation, a Navy spokesman said Monday.

Investigators examining the remainder of a Sea Knight that crashed near the mouth of the Chesapeake Bay on June 22 found worn parts in the helicopter's pitch varying shaft, which partially controls the rear rotor blades, said Lt. Russ Greer, an Atlantic Fleet Naval Air Force spokesman.

While the problem...was discovered during the crash probe, "the actual cause of the incident will not be confirmed until the investigation can be concluded," Greer said.

(A.J. Plunkett, Newport News Daily Press)

GOVERNMENT OPENS FIFTH AIRLINE INVESTIGATION

The Justice Department disclosed that it has added a new facet to its "broadly based" review of possible antitrust violations by major U.S. airlines, bringing the number of current investigations to five.

James Rill, chief of the department's antitrust division, told reporters Monday his unit is examining "a particular agreement" between air carriers, but would not elaborate.

Asked about Rill's comment, Justice Department spokesman Joseph Krovisky said a fifth airline antitrust investigation had been opened, but said he could not provide any details....

"I can only confirm the investigation is rather broadly based," Rill said, adding the department has committed considerable resources to the antitrust examination. (Don Carmichael, UPI)

MILITARY REVOLVING DOOR QUICKENS**Despite Law Requiring Longer Tenure For Managers, Turnover Grows**

When Congress imposed a law six years ago to improve the management of the military's multibillion dollar weapons programs, it got an unexpected reaction from the Pentagon.

Instead of lengthening tours of duty in the crucial management jobs -- as mandated by law -- the services allowed program managers to stay on the job for even shorter tenures.

"In 1984, they averaged only 25 months on the job," said Rep. Mavroules, chairman of the House Armed Services investigations subcommittee. "Today they average only 21 months. Some improvement!" ...

"Bluntly, the services broke the law 89 percent of the time," said Mavroules.... "The services are simply ignoring the law," charged Rep. Larry Hopkins, ranking Republican on the subcommittee....

Does the Defense Department dispute the findings? "No, not at all," said a spokeswoman, adding, "We know the law is on the books. We're trying hard to work on the spirit of the law."

(Molly Moore, Washington Post, A21)

DOE RAISES ANTE IN ESTIMATED COST OF NUKE WASTE CLEANUP

Increased exposure to criminal liability is helping to boost by nearly 50 percent the estimated cost of storing and cleaning up waste from nuclear weapons plants, the Energy Department says in a report being made public Tuesday.

The report also predicts that a doubling of cleanup staff may be necessary to meet the goals of DOE's new five-year waste management plan.

The five-year total through fiscal year 1995 will exceed \$28.6 billion, compared with the \$19.5 billion DOE estimated six months ago, according a copy of the report summary made available Monday by aides to Rep. Dicks.

"Such growth cannot now be managed responsibly and effectively, given the inadequacy of the DOE, contractor, industry and regulator infrastructure," the report said.

(Scott Bonner, AP)

WILDERNESS SOCIETY DEMANDS LAND-USE OVERHAUL IN ALASKA

ANCHORAGE -- Ten years after Congress passed the landmark Alaska National Interest Lands Claims Act, the Reagan Administration's legacy has left the vast tracts of federal lands in Alaska mismanaged and neglected, the Wilderness Society said Monday.

To preserve the spirit of the sweeping act, Congress must allocate more money to federal agencies to manage lands in Alaska, create more wilderness areas in the state to prevent development and pollution, curtail logging and establish an oil spill trust fund, the Wilderness Society said....

"ANILCA was a fine idea when it was passed by Congress 10 years ago. But we've had 10 years of efforts to undermine it," said Allen Smith, head of the Wilderness Society's Anchorage office.

(Yereth Rosen, Reuter)

SECRETARY LUJAN/RADIO AIRPLAY

He may not be a household word on the rock-and-roll circuit, but there's no denying Manuel Lujan has the connections to guarantee that his first record will get heavy airplay -- like on radio stations spread clear across the country, on July 4.

Titled "Salute to America," the hour-long album features songs by Loretta Lynn and John Denver and a non-musical message from none other than President Bush. Lujan, Secretary of the Interior, is the man behind the platter. The purpose of the independent production (cut for a bargain-basement \$6,000 in the Interior Department's own studios) is to tout conservation projects. No word on what might be next for Manny and the Interiors.

(Knight-Ridder)

**ARTS COMMUNITY REACTS ANGRILY
TO NEA CHAIRMAN'S DENIAL OF FOUR GRANTS**

The controversy sparked June 29 when the chairman of the National Endowment for the Arts denied grants to four provocative performance artists began spreading Monday throughout the arts community.

The panel of theater experts whose recommendation to award the grants was overruled by John Frohnmayer called on the NEA Monday to reconvene their panel to discuss the controversy.

In Los Angeles, one of the 14 performance artists who had passed endowment muster and received an award rejected the stipend, calling Frohnmayer's action "unconscionable."

And in New York, a group of half a dozen other performance artists who received funding on Friday met late Monday to determine what sort of response, if any, they should make to the latest NEA crisis.
(Stephen Salisbury, Knight-Ridder)

TWO AT IRS ACCUSED OF STRIKING BACK AT WHISTLEBLOWERS

The federal government has filed a complaint against two former IRS officials, charging them with unfairly retaliating against two employees who accused them of wrongdoing.

The complaint is the first formal action by the Office of Special Counsel since last year's congressional hearings on IRS management abuses.
(J. Jennings Moss, Washington Times, A3)

MOORE AND MUNDY SPAR OVER BARRY'S INTENTIONS

D.C. Mayor Barry's lawyers tried to get Hazel Diane "Rasheeda" Moore to acknowledge Monday that Barry declined drugs during the Vista Hotel sting seven times, and that the mayor gave her money because he thought she was buying drugs for herself....

Moore countered that Barry's naivete about the [crack] pipe was bogus, that he had given her money to buy crack cocaine for himself and that the indifference to drugs that he showed on the tape was because of his wariness about using drugs in a strange place.
(Tracy Thompson & Michael York, Washington Post, A1)

**COURT ORDERS JUDGE TO DEFEND
BARRING FARRAKHAN AND STALLINGS FROM TRIAL**

The U.S. Court of Appeals has given the judge in the trial of D.C. Mayor Barry until [noon Tuesday] to reply to the ACLU's appeal of his decision barring Nation of Islam leader Louis Farrakhan and Bishop George Stallings from the trial.

(Saundra Torrey, Washington Post, A12)

BUSH INCREASINGLY TAKES ADVANTAGE OF FIRST LADY'S POPULARITY

When President Bush needs a sure-fire applause line to spark up a lackluster speech, he can count on his wife, Barbara.

It's not that she offers snappy comments. It's the mere mention of her name that evokes applause.

On his many politicking soirees out of Washington, the President increasingly brings greetings from "Bar," relays her regrets that she couldn't be there, praises her dedication to the cause of literacy, brags about her Wellesley graduation speech or gripes about her affinity for the vegetable he hates -- broccoli....

Bush even has taken to quoting his wife. (Rita Beamish, AP)

EDITOR'S NOTE: "Lobbying Reports: Few And Flawed," by Dan Morgan, appears in The Washington Post, page A21.

"In Year Since Webster, Abortion Issue Defies Predictions," by Dan Balz & Ruth Marcus, appears in The Washington Post, page A1.

"By Tubs, Sticks And Pats, Butter Mountain Grows," by Guy Gugliotta, appears in The Washington Post, page A3.

NETWORK NEWS

Monday evening, July 2

SOVIET PARTY CONGRESS

ABC's Peter Jennings: The 28th congress of the Soviet Communist Party opened here in Moscow today riddled by more differences of opinion that at any time in the Soviet Union's history, and for Mikhail Gorbachev himself, not a hint that he's going to move any more radically to reform a system which is in such deep trouble the party itself is in danger of being overwhelmed by it. Mr. Gorbachev set the tone today -- a major effort to have the party hang together by a man who is individually on the defensive.

ABC's Jim Laurie reports that Gorbachev had hoped a reformed and unified party would actively get behind his program for economic and political change. Instead, Gorbachev had to launch an aggressive defense of all he's done. Addressing what appears to be a growing Marxist conservative force, he said, "voices claim that perestroika is to blame for all our troubles. This is simply rubbish from those who don't know the facts." He warned of dark times if those who stubbornly stick to the past have their way. He got little applause. Besieged by the complaints of many delegates, it was Gorbachev in his classic stand in the middle trying to satisfy both his political right and left. In the hallways outside Gorbachev admitted he had his work cut out for him. "Our most important task right now," he said, "is not to divide the party." But divisions seem difficult to avoid. Gorbachev's engaged in what may prove an impossible task to keep together and reform a party that's become increasingly irrelevant to average Russians, but which retains too much power to simply ignore.

Jennings talks with Bob Legvold, director of the Harriman Institute of Soviet Studies at Columbia University:

Jennings: The conventional wisdom was that at this congress the conservatives -- those opposed to reform -- would be put in their place. Instead, they've launched a counter attack against Mr. Gorbachev. What happened?

Legvold: The practical reason is that Gorbachev and his allies didn't do enough to influence the selection of delegates. They left the field to the professional party bureaucrats who tend to be conservative. They dominate the numbers, more than a majority. The real reason, however, the deeper reason, is the problems have now come back to haunt Gorbachev. Rather than rallying people to the idea of much more radical reform, giving support for more radical reform, in fact the conservatives are now using it against Gorbachev. They blame him for the problems.

Jennings: And the radical reformers are now threatening to leave Gorbachev, and perhaps even the party. How much trouble is he in?

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Legvold: That is the other side of it. The left is also criticizing him. At the moment he is not in any danger of losing control of the party. He can get himself elected general secretary, but he's a leader who is increasingly losing his following. People are indeed fleeing from him partly because they see him increasingly as a part of the problem rather than part of the solution.

Jennings: Is this, as some people say, the last chance to hold the Communist Party together, and does it matter anyway?

Legvold: It may be that the last chance has already passed. In reality this party is already an entity with three different parts at a minimum, and in fact a split is likely to occur after the party congress. But the other side of the thing is that politics in the Soviet Union is now running much faster than the capacity of the party to adjust, and in many respects the party is becoming increasingly irrelevant as these democratic forces grow in strength. (ABC-Lead)

NBC's Tom Brokaw: Good evening from Moscow, the 28th congress of the Soviet Communist Party -- more than 4,600 communist delegates from throughout the Soviet Union meeting at a time of political and economic crisis for this country. This could be the most important meeting for the party since the communist revolution of 1917. The Palace of Congress is in the heart of the Kremlin. Most of these delegates are conservative, determined to hang on to what power they have, determined to slow economic reforms. The liberals, led by Boris Yeltsin, are threatening to form their own breakaway parties. But Yeltsin was uncharacteristically quiet today....

NBC's Bob Abernethy reports that many communists genuinely oppose any moves toward capitalism, but Gorbachev was defiant. "The market is the quickest way to solve our economic problems." Moreover, said Gorbachev, a reformed Communist Party must lead the way to democracy and competition. Many Soviets do blame Gorbachev and his reforms for his country's troubles. One speaker today urged the entire party leadership to resign, and the congress voted that all members of the Politburo must give accounts of their work. (NBC-Lead)

Brokaw talks with reform economists Alexi Shulus and Andrei Kotunav:

Brokaw: A lot of people believe that whoever wins the political struggle at this Communist Party congress, the party's future is over. It's been so discredited it can never really have an active role in this country again. Do you agree with that?

Shulus: I agree that this party in its present form has no future, and the split is inevitable. And I view the formation of three, four parties....

Brokaw: But what really counts for this country is whether or not the economy works.

Kotunav: Of course. I think that we can have an open discussion, and we should have multi-party elections, and I'm more than convinced that people will vote for private property and for free enterprise.

Shulus: I think that the majority of our people don't want the private property, and even the supporters of free-market economy, they admit this. They say that 80 percent of Soviet people, they are against free market.... (NBC-7)

CBS's Dan Rather: Mikhail Gorbachev came out swinging today against his foes inside the Communist Party. He told them the Soviet Union is rapidly becoming a second-rate power and faces dark times if they succeed in blocking his reform program. Later, in an exclusive interview with CBS News, Gorbachev said if the West wants to give him more help, now is the time.

(Gorbachev: "I should say that at this point we need more cooperation while the government is working out measures for a transition to a market economy, to make this process less painful, make it easier. I think now that this cooperation would be positive.")

We asked if he meant right now.

(Gorbachev: "Yes, yes. Exactly. We've got to do something. Most of all,...improvement in the economic situation and in the consumer market.")

Then, an intriguing response to the issue of his future as Soviet leader.

(Rather: "Many Americans are worried, they're concerned, that you're just going to resign, you're going to give it up, say the hell with it.")

Gorbachev: "As you know, I think this is the situation: People are thinking...that the congress, which represents not only the party, but also the entire country, will consider all questions. And we will work together and seek solutions. And what we need to do we'll do. I wouldn't put my personal ambitions first. I'm sure that's also true of my comrades who are here with me, the representatives of the Central Committee. They wouldn't put their ambitions first at the time when we need to find optimal solutions that wouldn't be understood by the party or the people. It's unacceptable. Thank you.")

...If Gorbachev fails, it will weaken the position of all who support him, including the President of the United States, who has embraced Gorbachev as a partner.

CBS's Barry Petersen reports that there's an early indication that the conservatives may be warming a little bit to Gorbachev. That comes because Yegor Ligachev, a conservative member of the Politburo, said tonight he's willing to support Gorbachev as the leader of the party.

Rather says, when I talked to Gorbachev this afternoon he was flanked by some of his most powerful lieutenants in the Kremlin and calm in the thick of battle.

(Gorbachev: "I think the congress reflects what's going on in society.")

Rather: "Were you on the attack?"

Rather continues:

Gorbachev: "I wouldn't use that term. I think I was honestly laying out the positions of the Politburo and the Central Committee, and most of all our attempt to find a way out of the present situation."

Rather: "What is the single most important thing Americans ought to know about this party congress?"

Gorbachev: "I think that the congress this first day is going to give a full and objective and uncompromising evaluation of the situation, and is trying to set out the kinds of policies which would help both the government and the entire country, society, to move in the right direction and to change the situation for the better." (CBS-Lead)

Rather reports that Soviet coal miners are threatening a one-day strike next week to protest the failure of the leadership of Gorbachev and others to improve their living conditions. (CBS-9)

NATO

Jennings reports that President Bush has been talking today about his ideas for changing NATO's nuclear policy in Europe.

ABC's John McWethy:

[TV COVERAGE of President Bush and officials walking near the water at Kennebunkport.]

As the President made final preparations in Maine, he was asked about the final recommendations he has already sent to his counterparts in Europe.

(President Bush: "Some will call it dramatic policy changes, and others won't. And so I don't want to understate it, but I don't happen to believe that it's bombshell dimension.")

Maybe not a bombshell, but his ideas are designed to reassure Moscow that NATO will not be a threat as the Warsaw Pact disintegrates. Included in the recommendations: a slight change in wording of NATO's nuclear strategy to make it clear nuclear weapons will be used only as a last resort; a pledge to withdraw NATO's nuclear artillery shells from Europe once Soviet troops are gone; a proposal to pull back NATO conventional forces from West Germany's borders with Czechoslovakia and East Germany; and an offer to allow Soviet and East European diplomats to be accredited to NATO, not as members, but as special observers. Perhaps the toughest job for the Western alliance will be setting troop limits on a united Germany in NATO, limits that both satisfy Moscow's concerns and guarantee Germany's right to make its own decisions.

(ABC-4)

Rather: While Mikhail Gorbachev presides over the landmark Communist Party congress here in Moscow, George Bush is preparing for what could be a turning-point NATO summit in London later this week. The President held a strategy session with foreign policy advisers today.

CBS's Wyatt Andrews:

[TV COVERAGE of President Bush and officials walking near the water at Kennebunkport.]

The President today summoned every one of his top advisers on defense and foreign policy to finalize U.S. proposals on a major shift in the purpose of NATO.

-more-

Andrews continues: White House sources confirm Mr. Bush wants a new NATO military doctrine, in which nuclear arms would become weapons of last resort. That would replace the doctrine of flexible response, which for almost 30 years has threatened the early use of nuclear weapons to answer any invasion by the Warsaw Pact. Now that the threat from the East has diminished, the idea is to make NATO strategy sound less aggressive.

(President Bush: "And as conditions have changed, NATO will change, and I've addressed myself to that. But there will be some changes, but I don't happen to believe that it's bombshell dimension.")

The President and his men believe their mission this week in London, as one adviser put it, is to make NATO relevant, even as Soviet troops recede and the two Germanies unite. Partly to preempt the anti-nuclear movement in Germany, Mr. Bush may propose the removal of all U.S. nuclear artillery shells while retaining short-range and air-launched missiles. The challenge for the President is to appear to be adapting to the new Europe quickly enough.

(President Bush: "We've got broad, general agreement on a lot of issues, but there's still some work to be done.")

One bit of work Mr. Bush will attempt in London: sell NATO as a new kind of alliance with less of a military rationale and more of a political mission. That sales pitch will have two main audiences - the Soviets who still feel threatened by a Germany inside NATO, and Germans themselves, who may be tempted to reject NATO after unification.

(CBS-7)

FOREIGN DEBT

NBC's Faith Daniels: Here at home some economic news was not so good. The government reported that Americans' net debt to the rest of the world jumped 25 percent last year. That means foreign-owned assets here increased much more than American holdings abroad.

(NBC-9, CBS-6)

MARCOS

ABC's Tom Jarriel: Former Philippine first lady Imelda Marcos was acquitted today on charges she had helped to loot her country's treasury and spent the money in the U.S. The verdict was a sharp setback for the U.S. government, which had spent millions to prosecute Mrs. Marcos.

(ABC-2, NBC-2, CBS-2)

MANDELA/BITAIN, IRA

Jennings: South Africa's Nelson Mandela wants Britain and the Irish Republican Army to sit down together and talk settlement. Mr. Mandela said in Dublin today it is senseless to continue what he called their mutual slaughter.

(ABC-8)

LIBERIA

CBS's Bob Schieffer: What may be the final battle of Liberia's civil war is underway tonight. Rebel soldiers reportedly are pouring into the capital of Monrovia after attacking from two directions. President Samuel Doe is thought to be in retreat. The U.S. government said today it is willing to help Doe leave the country.

-more-

(CBS-3, ABC-6)

ASPIRIN

Daniels reports there is a strong new warning label for aspirin. The FDA says it will require all aspirin products to carry a label cautioning women against using them during the last three months of pregnancy. The FDA says aspirin may cause complications in delivery or problems in the unborn child. (NBC-5, CBS-5)

NASA

Daniels reports that NASA officials pleaded poverty today, complaining about their budget request in Congress. And they defended the agency's performance despite continuing problems in space.

NBC's Robert Bazell reports that NASA officials complained today that the House had cut their budget. The Administration had asked for about \$15 billion for NASA, a 24-percent increase over last year's budget. The House appropriated about \$14 billion. But that's still a 17-percent increase over last year. A key member of the Appropriations Committee was not moved by the complaints. (Rep. Green: "Given the kind of problems they're having, if it had been any other agency, they'd probably have gotten deeper cuts, because we don't turn the shallow money on agencies where there are screw-ups. I think if NASA is planning its program on the assumption that it can get those kinds of increases every year, they're just out of their minds given the budget situation.") Most of the money that was cut came from the space station and for plans for a return to the moon and a trip on to Mars. It is likely the Senate will cut NASA's budget even more. As a result, construction of the space station will be delayed and the trips to the moon and Mars will remain dreams for now. (NBC-4)

-end of News Summary-

Presidential Phone Calls



DATE: 7-3-90

TIME: incoming/outgoing

WITH: Prime Minsiters:

Martens- Belgium

SUBJECT: _____

Lubbers- Netherlands

Schlueter of Denmark.

Called them all per attached
talking poits.

All were supportive. all agreed we needed
a document like our with only
modest changes.

I believe all will support us in London.

gb

FOLLOW UP: _____

Florence, could you please the following memo to General Scowcroft (cc Bob Blackwill? I am providing a copy to Mr. Gates.

MEMORANDUM FOR BRENT SCOWCROFT

FROM: PHILIP ZELIKOW

SUBJECT: Presidential Phone Calls on the NATO Summit

In order to reinforce Allied support in London, especially from smaller Allies who are likely to be predisposed to back us, Bob and I suggest the President call: Prime Minister Wilfried Martens (Belgium), Prime Minister Ruud Lubbers (Netherlands), Prime Minister Poul Schluter (Denmark), and President Felipe Gonzalez (Spain). We also recommend the President call Chancellor Kohl.

The Situation Room is arranging to be ready to place such calls between 0700 and 0830 on Tuesday, July 3. Spanish and German language interpreters will be on call. Martens, Lubbers, and Schluter speak good English.

Here are some suggested talking points for the calls:

- I'd like to talk to you for a few minutes about the NATO Summit. You will have received my letter, which lays out ideas for how to make this Summit a success. I've tried to draw on thinking from around the Alliance in putting together these proposals.
- I think this Summit meeting comes at a turning point in the history of the Alliance. Now is the time for us to show that NATO will play its part in shaping the new Europe.
- The Summit is crucial for the Soviets, who are deciding whether to go along with a united Germany in NATO.
- It will also be important for the new democratic leaders of Eastern Europe, who are deciding whether NATO is some exclusive club that was just part of the Cold War or something that is good for all of Europe.
- And this Summit is critical for our publics, who are looking to see if NATO can adapt to the new realities in Europe.
- Now you know I'm a believer in NATO, and in America's place on the continent. So I want NATO to come out of this Summit stronger and more vital than ever before.
- I think the proposals I've suggested can do the job. Some of them are bold. Some will be controversial. But those are the kind of ideas I think we'll need.
- I understand that people in various countries may have problems with this point or that point. We can't start peeling everything away though, or we'll lose the core. We need to show the Alliance is ready

to adapt as needed in every major part of its work.

-- That means we'll need an atmosphere of Allied support in London for a strong Summit Declaration, to keep adjustments to a minimum. I don't want to see us replace solid substance with familiar NATO rhetoric.

-- Your support, in particular, will be essential. The kind of Declaration we need can only come from the political leaders who know what these times and our people require of us.

-- I mentioned the Soviets a moment ago, and I have been seeing the first reports on the Party Congress going on there. It looks like Gorbachev has been having a tough time. When Shevardnadze saw Jim Baker in Berlin a little while ago, he told Jim four different times how important this NATO Summit would be in helping Moscow to decide how to proceed during the months ahead. It is more important than ever now for the Alliance to show it is changing, to help give Gorbachev a basis to go along with a united Germany in NATO.

((FOR KOHL ONLY: -- This is particularly important, Helmut, given your impending visit to the Soviet Union.))

-- I feel we have a unique opportunity in the next few days to show the future direction of our Alliance. We'll need to work hard together in London to make sure we use this chance, and begin the transformation of NATO.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02c. Notes	Handwritten notes of phone call to Prime Minister Martens of Belgium [one page double-sided] (2 pp.)	07/03/90	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, July 3, 1990

Date Closed: 6/10/2010	OA/ID Number: 90552-013
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
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P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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(b)(9) Release would disclose geological or geophysical information

~~File~~ P
from briefing
on Nato
- Gen Summits
7-3-90

Document Originally
Attached to
Following Page

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

From Gates

THE WHITE HOUSE
WASHINGTON

Best quote for Houston -

Bullshit is unavoidable whenever circumstances require someone to talk without knowing what he is talking about. Thus, the production of bullshit is stimulated whenever a person's obligations or opportunities to speak about some topic are more extensive than his knowledge of the facts that are relevant to that topic.

Bush Library Photocopy
Miscellaneous Handwriting

Bush Presidential Library Photocopy

THE BUSH WHITE HOUSE
WASHINGTON

Long Long

READINGS

[Essay]

REFLECTIONS ON BULLSHIT

From "On Bullshit," by Harry Frankfurt, in the Fall 1986 *Raritan*. Frankfurt is chairman of the department of philosophy at Yale.

One of the most salient features of our culture is that there is so much bullshit. Everyone knows this. Each of us contributes his share. But we tend to take the situation for granted. Most people are rather confident of their ability to recognize bullshit and to avoid being taken in by it. So the phenomenon has not aroused much deliberate concern, nor attracted much sustained inquiry.

In consequence, we have no clear understanding of what bullshit is, why there is so much of it, or what functions it serves. And we lack a conscientiously developed appreciation of what it means to us. In other words, we have no theory. I propose to begin the development of a theoretical understanding of bullshit, mainly by providing some tentative and exploratory philosophical analysis. I shall not consider the rhetorical uses and misuses of bullshit. My aim is simply to give a rough account of what bullshit is and how it differs from what it is not.

Bullshitting involves a kind of bluff. It is closer to bluffing, surely, than to telling a lie. But what is implied concerning its nature by the fact that it is more like the former than it is like the latter? Just what is the relevant difference between a bluff and a lie?

Lying and bluffing are both modes of misrepresentation or deception. Now, the concept most central to the distinctive nature of a lie is that of falsity: the liar is essentially someone who deliberately promulgates a falsehood. Bluff-

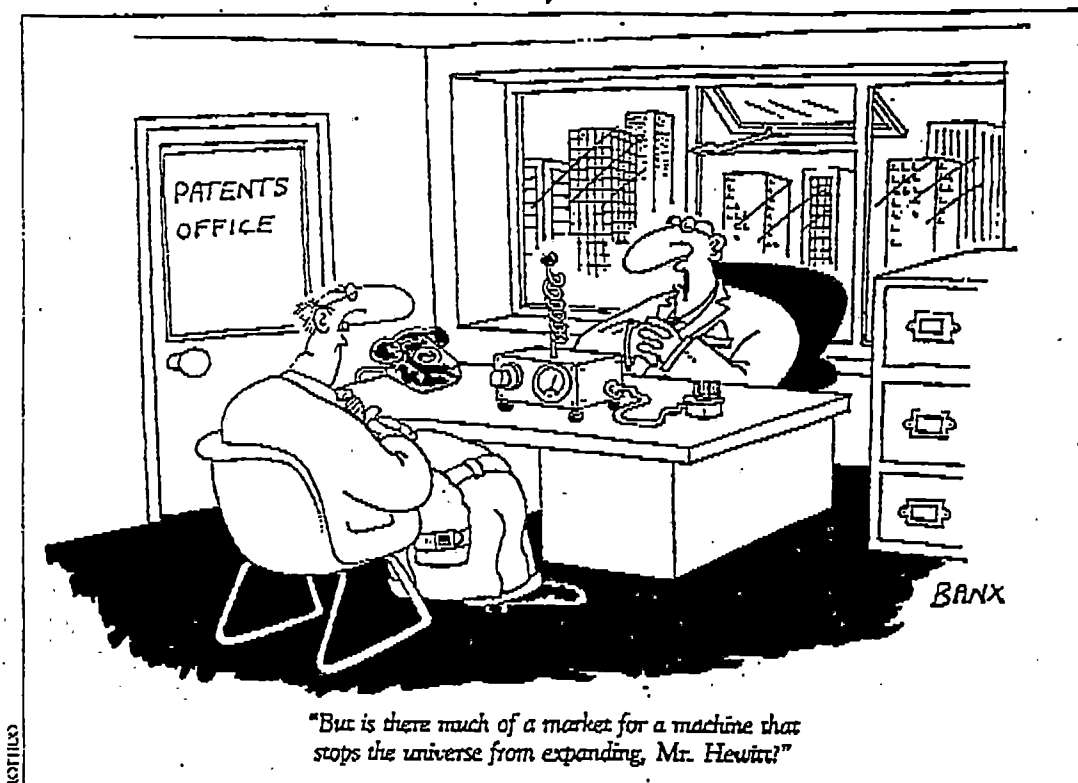
ing too is typically devoted to conveying something false. Unlike plain lying, however, it is more especially a matter not of falsity but of fakery. This is what accounts for its nearness to bullshit. For the essence of bullshit is not that it is false but that it is phony. In order to appreciate this distinction, one must recognize that a fake or a phony need not be in any respect (apart from authenticity itself) inferior to the real thing. What is not genuine need not also be defective in some other way. It may be, after all, an exact copy. What is wrong with a counterfeit is not what it is like, but how it was made. This points to a similar and fundamental aspect of the essential nature of bullshit: although it is produced without concern for the truth, it need not be false. The bullshitter is faking things. But this does not mean that he necessarily gets them wrong.

In Eric Ambler's novel *Dirty Story*, a character named Arthur Abdel Simpson recalls advice that he received as a child from his father:

Although I was only seven when my father was killed, I still remember him very well and some of the things he used to say. . . . One of the first things he taught me was, "Never tell a lie when you can bullshit your way through."

This presumes not only that there is an important difference between lying and bullshitting, but that the latter is preferable to the former.

In trying to understand why our attitude toward bullshit might generally be more benign than our attitude toward lying, however, the pertinent comparison is not between telling a lie and producing some particular instance of bullshit. The elder Simpson identifies the alternative to telling a lie as "bullshitting one's way through." This involves not merely producing one instance of bullshit; it involves a *program* of producing bullshit to whatever extent the circumstances require. This is a key, perhaps, to



From Punch.

his preference. Telling a lie is an act with a sharp focus. It is designed to insert a particular falsehood at a specific point in a set or system of beliefs, in order to avoid the consequences of having that point occupied by the truth. This requires a degree of craftsmanship, in which the teller of the lie submits to objective constraints imposed by what he takes to be the truth. The liar is inescapably concerned with truth-values. In order to invent a lie at all, he must think he knows what is true. And in order to invent an effective lie, he must design his falsehood under the guidance of that truth.

A person who undertakes to bullshit his way through has much more freedom. His focus is panoramic rather than particular. He does not limit himself to inserting a particular falsehood at a specific point, and thus he is not constrained by the truths surrounding that point or intersecting it. He is prepared to fake the context as well, so far as need requires. This freedom from the constraints to which the liar must submit does not necessarily mean, of course, that his task is easier than the task of the liar. But the mode of creativity upon which it relies is less analytical and less deliberative than that which is mobilized in lying. It is more expansive and independent, with more spacious opportunities for improvisation, color, and imaginative play. This is less a matter of craft than of art. Hence the notion of the "bullshit artist."

What bullshit misrepresents is neither the state of affairs to which it refers nor the beliefs of the speaker concerning that state of affairs. Those are what lies misrepresent, by virtue of being false. Since bullshit need not be false, it differs from lies in its misrepresentational intent. The bullshitter may not deceive us, or even intend to do so, either about the facts or about what he takes the facts to be. What he does necessarily attempt to deceive us about is his enterprise. His only indispensably distinctive characteristic is that in a certain way he misrepresents what he is up to.

This is the crux of the distinction between the bullshitter and the liar. Both represent themselves falsely as endeavoring to communicate the truth. The success of each depends upon deceiving us about that. But the fact about himself that the liar hides is that he is attempting to lead us away from a correct apprehension of reality; we are not to know that he wants us to believe something he supposes to be false. The fact about himself that the bullshitter hides, on the other hand, is that the truth-values of his statements are of no interest to him; what we are not to understand is that his intention is neither to report the truth nor to conceal it. This does not mean that his speech is anarchically impulsive, but that the motive guiding and controlling it is unconcerned with how the things about which he speaks truly are.

It is impossible for someone to lie unless he thinks he knows the truth. Producing bullshit requires no such conviction. A person who lies is thereby responding to the truth, and he is to that extent respectful of it. For the bullshitter, however, all these bets are off: he is neither on the side of the true nor on the side of the false. His eye is not on the facts at all, except insofar as they may be pertinent to his interest in getting away with what he says.

[List]

NOT-KOCHISMS

From "The Edward I. Koch Identity Search," a list of quotes by Mayor Koch posted in the City Hall press room.

This is an attempt to find out not what Ed Koch is but what he is *not*, according to Ed Koch in his various pronouncements over the years.

So far, we know that—based on his own observations—the mayor is *not*:

a schmuck	a homosexual
a kibbitzer	a punching bag
a whacko	a showboat
a wacko	a dog in a manger
a yenta	a conservative
a dummy	a dupe
a doctor	a dope
a demagogue	an ass
an ideologue	a magician
a bookie	a statistician
an oracle	a leper
a one-cheeked Christian	the governor
a diplomat	a sociologist
a little old lady who stood up in the back of the room and said "mug him again"	Mr. Humble Pie
an expert (on wolves)	a hypocrite
an elitist	a prophet
a test evaluator	a populist
the personnel director of this city	a genius
Billy Budd (who was "a schmuck")	the corporation counsel
a nut	a prosecutor
	an expert on constitutional law
	a psychiatrist
	a scientist
	a pollster
	a horse's ass

For this reason, telling lies does not tend to unfit a person for telling the truth in the same way that bullshitting tends to. Through excessive indulgence in the latter activity, which involves making assertions without paying attention to anything except what it suits one to say, a person's normal habit of attending to the ways things are may become attenuated or lost. Someone who lies and someone who tells the truth are playing on opposite sides, so to speak, in the same game. Each responds to the facts as he understands them, although the response of the one is guided by the authority of the truth, while the response of the other defies that authority and refuses to meet its demands. The bullshitter ignores these demands altogether. He does not reject the authority of the truth, as the liar does. He pays no attention to it at all. By virtue of this, bullshit is a greater enemy of the truth than lies are.

One who is concerned to report or to conceal the facts assumes that there are indeed facts that are in some way both determinate and knowable. His interest in telling the truth or in lying presupposes that there is a difference between getting things wrong and getting them right, and that it is at least occasionally possible to tell the difference. Someone who ceases to believe in the possibility of identifying certain statements as true and others as false can have only two alternatives. The first is to desist both from efforts to tell the truth and from efforts to deceive. This would mean refraining from making any assertion whatever about the facts. The second alternative is to continue making assertions that purport to describe the way things are but that cannot be anything except bullshit.

Why is there so much bullshit? Well, bullshit is unavoidable whenever circumstances require someone to talk without knowing what he is talking about. Thus the production of bullshit is stimulated whenever a person's obligations or opportunities to speak about some topic are more extensive than his knowledge of the facts that are relevant to that topic. This discrepancy is common in public life, where people are frequently impelled—whether by their own propensities or by the demands of others—to speak extensively about matters of which they are to some degree ignorant. Bullshit also arises from the widespread conviction that it is the responsibility of a citizen in a democracy to have opinions about everything, or at least everything that pertains to the conduct of his country's affairs.

The contemporary proliferation of bullshit also has deeper sources, in various forms of skepticism which deny that we can have any reliable

access to an objective reality and which therefore reject the possibility of knowing how things truly are. These "anti-realist" doctrines undermine confidence in the value of disinterested efforts to determine what is true and what is false, and even in the intelligibility of the notion of objective inquiry. One response to this loss of confidence has been a retreat from the discipline required by dedication to the ideal of correctness to a quite different sort of discipline, which is imposed by pursuit of an alternative ideal of sincerity. Rather than seeking primarily to arrive at accurate representations of a common world, the individual turns toward trying to provide honest representations of himself. Convinced that reality has no inherent nature, which he might hope to identify as the truth about things, he devotes himself to being true to his own nature. It is as though he decided that since it makes no sense to try to be true to the facts, he must therefore try instead to be true to himself.

But it is preposterous to imagine that we ourselves are determinate, and hence susceptible both to correct and to incorrect descriptions, while supposing that the ascription of determinacy to anything else has been exposed as a mistake. As conscious beings, we exist only in response to other things, and we cannot know ourselves at all without knowing them. Moreover, there is nothing in theory, and certainly nothing in experience, to support the extraordinary judgment that it is the truth about himself that is the easiest for a person to know. Facts about ourselves are not peculiarly solid and resistant to skeptical dissolution. Our natures are, indeed, elusively insubstantial—notoriously less stable and less inherent than the natures of other things. And insofar as this is the case, sincerity itself is bullshit.

[Personal Ad]

I KNOW YOU'RE OUT THERE

From a recent issue of New York magazine.

Intellectually superior gentleman (39-65) wanted by beautiful Oriental damsel to father our beautiful, intellectually superior children. Am desirous of leaving the hustle and bustle of a superficially glamorous, high-profile career to raise a family and create harmonious home for honorable future husband. Am 32, but can pass for 24. Consider myself very attractive (many say gorgeous, some say cute), very sincere, pas-

sionate, discreet, highly selective. Attracted to power; have a passion for excellence. Loving, warm, emotionally supportive, nurturing, loyal, faithful, creative, monogamous, artistic, spiritual, physically fit, health and family oriented, conservative, traditional (this is the most daring thing I've ever done in life!). Sweet, spontaneous, caring, sensual, sexy, bright; have high morals and high ideals. Meticulous in detail. Enjoy Broadway shows, entertaining children, elegant restaurants, hayrides on starlit nights, lavishing my future husband with abundance of precious love and affection, pretty surroundings, French perfume, romantic evenings, bubble-baths, university libraries, Mozart, city life. Tiffany's, fireplaces, horse-drawn carriages through Central Park, snuggling up under a warm blanket at football games, going to baseball, basketball, and hockey games; would like to go to the Army/Navy game this season. If you are a man who has been too heavily engrossed in building your own empire to have any time to properly meet the right woman, you're the man for me! I find a stimulating mind intriguing and extremely sexy! You should have an MBA from Harvard, Yale, Wharton, Stanford, etc.; could possibly be included in the Forbes 400. (Perhaps a diamond in the rough, but I'll make you shine! And if you already shine, I'll make your brilliance glisten even brighter!) Driven by success, be a leader in business with monumental triumphs. Enjoy luxuriating in Oriental pampering by your adoring future wife; have insatiable drive to build solid family life; have voracious craving for my love. Culturally sophisticated, affluent, pro-Reagan, Caucasian; have intense need to be the best in your field(s). Not into drugs or alcohol; not intimidated by the success of your future wife; require that your marriage partner be your best friend, lover, and partner in life forever. Cuddly and soft-hearted in relationship with future wife, but ruthless in business; powerful, giving, loyal, truthful, faithful to future wife; involved in high finance and world affairs. Interested in Oriental culture, well-read, worldly, have a passion for excellence; wouldn't mind having gracious home in Bel Air in addition to elegant home in Manhattan (maybe Fifth Avenue or Central Park South, etc.). Enjoy the theater, traveling, and the laughter of children. Possess a richness of spirit and a heart of gold. May not personally run for public office, but you could be responsible for putting the right man in the White House. Prototypes: Donald Trump, Mortimer Zuckerman, Henry Kissinger, Sid Bass, Ted Kennedy, Ted Turner, Arne Ness, Albert Einstein, etc. I know what I want and I know you're out there. You would normally never answer a personal ad, but this is so intriguing and unique that you can't help it. I

~~CONFIDENTIAL~~

MIDDLE EAST PEACE PROCESS

I. ISSUE/OBJECTIVE

- U.S. should use Summit to brief allies on our efforts and to discourage alternatives that would complicate already difficult situation.
- Summit should express concern over the negative trend of recent weeks in the Middle East and stress the importance of progress in the peace process and should call on parties in the region to take steps to shape an atmosphere more conducive to reconciliation and negotiations.

II. BACKGROUND

- Allies have been generally supportive of our Middle East efforts while also maintaining their backing for an international conference and for Palestinian self-determination.
- British, French and others have expressed alarm over recent negative developments in the Middle East and are considering what actions Europeans might take to promote a viable peace process.
- Allies are concerned over damage to the peace process that could result from the suspension of the U.S.-PLO dialogue. British and Italians have urged Arafat to condemn the May 30 attack and take disciplinary action against Abu Abbas.
- We have stressed in discussions with Allies that movement toward an Israeli-Palestinian dialogue provides the most hopeful avenue for early progress toward negotiations.

III. WATCH OUT FOR

- French have urged that U.N. Security Council permanent members consider the Middle East in the Council; we believe this would not have productive results and should be discouraged, especially now that the UNSYG has sent an emissary to the region to report back to him.
- EC members are considering a new European peace initiative; they may give the U.S. some time to clarify whether our own efforts can continue.

CM
7-3

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PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/10/21

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PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/10/24

POINTS TO BE MADE ON
MIDDLE EAST PEACE PROCESS

- We are deeply distressed by the growing incidence of violence in the region, the loss of life in the occupied territories, the recent terrorist incidents, and the absence of movement on the peace process.
- These events reflect an unfortunate hardening of attitudes on both sides of the conflict, and highlight the need to find a way to move ahead.
- U.S. is pleased that the parties have shown sufficient flexibility to allow the UNSYG to send a special emissary to look at the situation in the region and report back to the SYG.
- An opportunity for peace still exists; it is incumbent on the parties to grasp this opportunity and begin to reverse the heightening spiral of conflict.
- We remain persuaded that an Israeli-Palestinian dialogue still offers the best prospect for early movement. The challenge facing the parties is to put this process back on track.
- We have set out very clearly for Israel the need to act quickly and in good faith to accept a dialogue, and to do so in a way that allows a credible Palestinian delegation to participate.
- Palestinians, for their part, need to look beyond the tragic human losses of recent weeks and recommit themselves to the political process.
- In particular, the PLO needs to live up to its commitments by condemning the May 30 PLF attack and taking steps to discipline Abu Abbas. We are willing to restore dialogue if PLO makes good on its pledge to renounce terror.
- The Arab states, also, need to do much more to create an environment that can sustain Palestinian-Israeli reconciliation.
- It is essential to begin to cool tempers and emotions in the region, and for the parties to find ways to reach out to each other and build an atmosphere more conducive to progress towards negotiations.
- We are not persuaded that either an international conference or consultations among the five permanent members of the U.N. Security Council will advance the process at this time.

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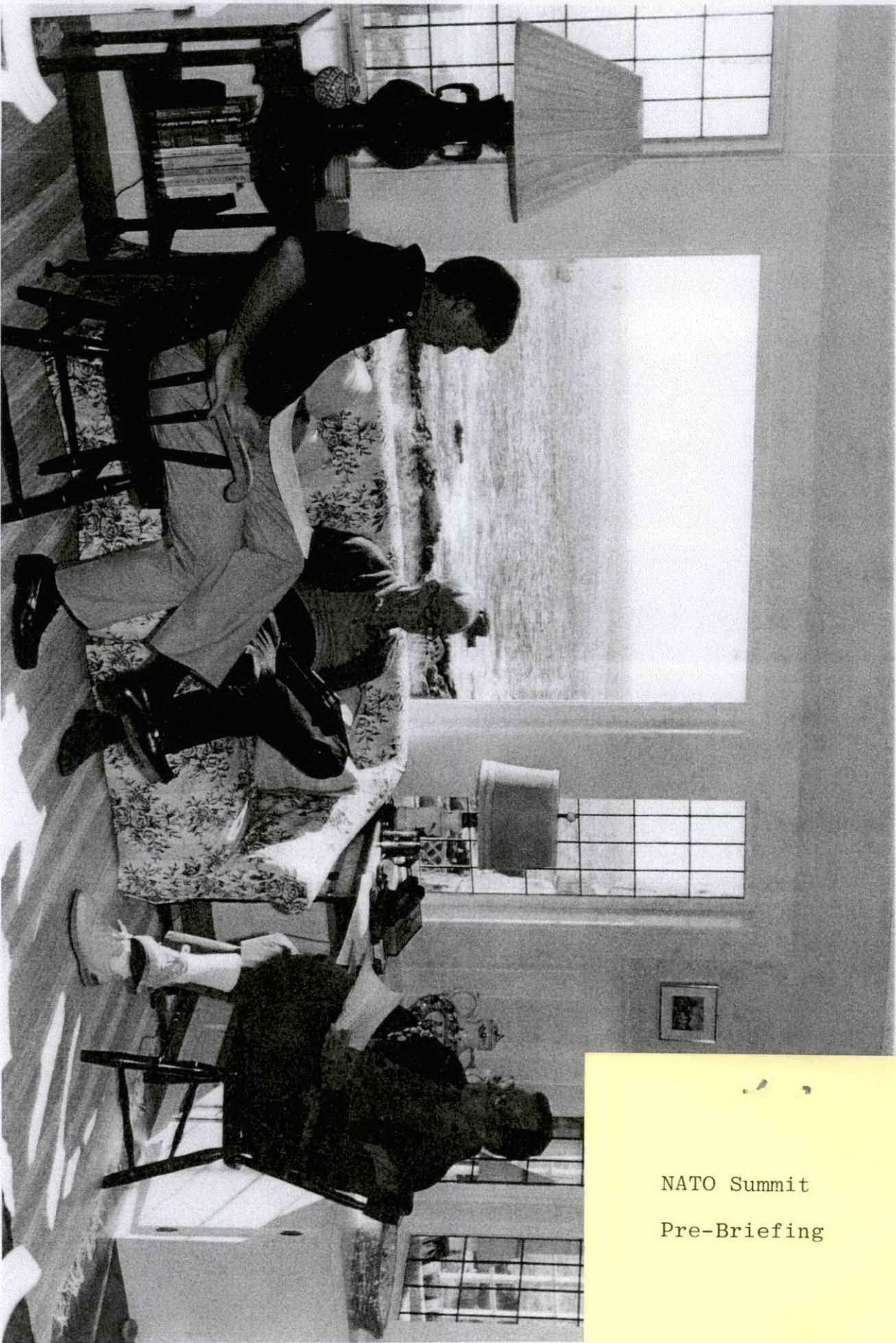
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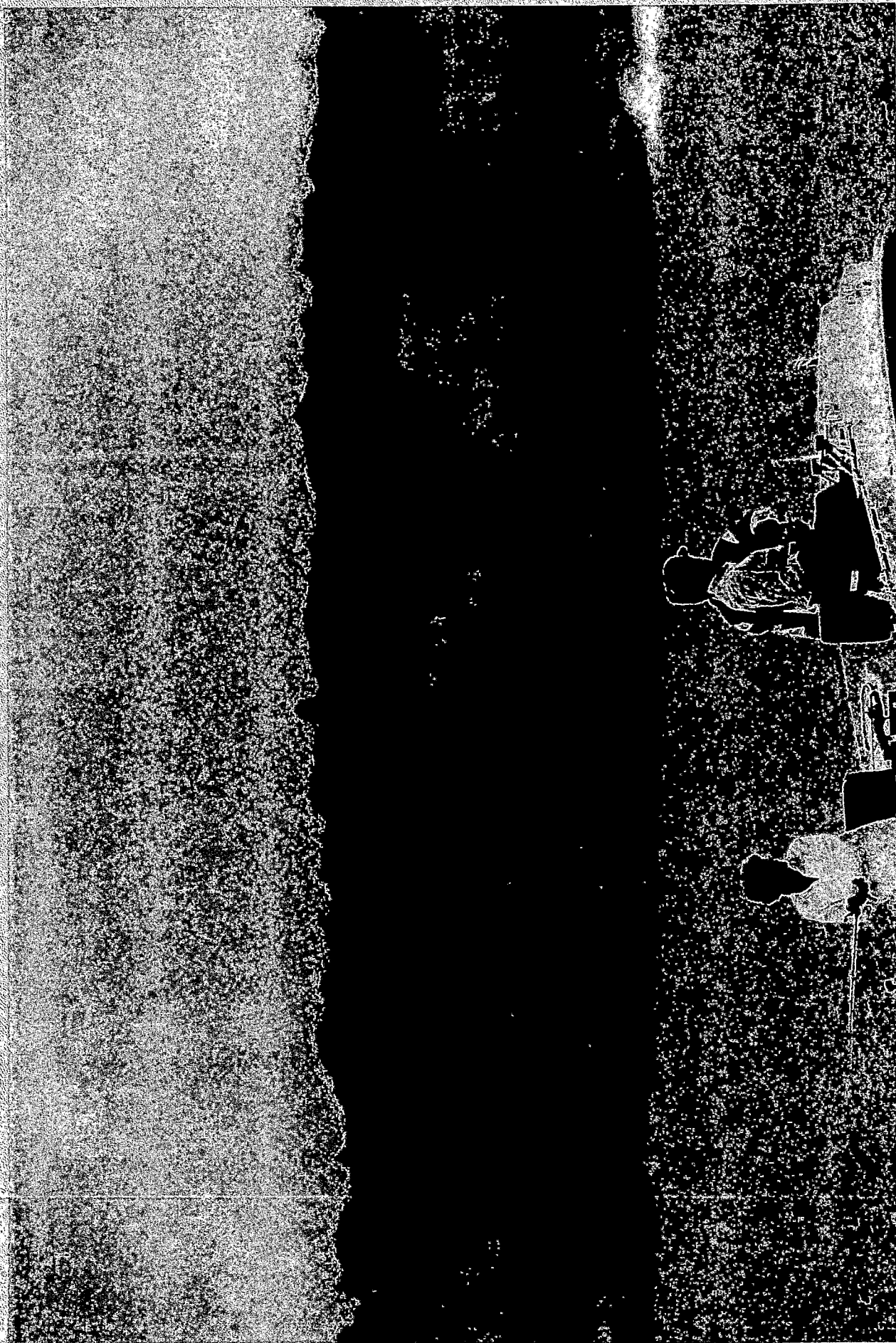
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