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THE WHITE HOUSE
Office of the Press Secretary

PRESS BRIEFING
BY
LARRY SPEAKES

September 10, 1984

The Briefing Room

1:22 P.M. EDT

INDEX

<u>SUBJECT</u>	<u>PAGE</u>
ANNOUNCEMENTS	
Presidential personnel.....	1
DOMESTIC	
Mondale economic plan.....	1-12,14-15,16-18
Meeting with National Baptist Convention	
members.....	12-13,19
Tobacco imports.....	18

#1197-09/10

1:47 P.M. EDT

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Office of the Press Secretary

PRESS BRIEFING
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September 10, 1984

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1:22 P.M. EDT

MR. SPEAKES: John D. Gordley is being announced today to be Special Assistant for the President for Policy Development and Assistant Director for Food and Agriculture in the Office of Policy Development.

The President, at 1:45 p.m., will sign the Hispanic Heritage Week in the East Room. Writing pool and photo coverage. We have the proclamation embargoed until the ceremony.

And that takes care of his schedule. As for Mr. Mondale's announcement on the Mondale Economic Plan II, it appears to us to be the same song, second verse.

Q A little slower.

MR. SPEAKES: The Mondale Economic Plan II is a tax increase plan, pure and simple. He would place a burden on the American taxpayer that will stop the economy cold in its tracks.

Q Can you go a little slower.

Q This is important stuff.

Q I'm sorry. It would stop the economy --

MR. SPEAKES: Cold in its tracks.

Q Larry, is this your statement or --

MR. SPEAKES: Mine. It will raise taxes -- Mondale will raise taxes --

Q Mr. Mondale? (Laughter.)

MR. SPEAKES: It's fine with me. Raise inflation and raise interest rates.

Q It's a three-point plan. (Laughter.)

MR. SPEAKES: It will reverse President Reagan's program that has cut taxes by 20 percent, reduced inflation by two-thirds, and cut interest rates almost in half.

Q Will you put this out on paper, Larry?

Q Yes.

MR. SPEAKES: It's in this format right here, now -- here.

Q Cut interest rates by what?

MORE

#1197-09/10

Q Half.

MR. SPEAKES: By almost a half. Almost in half.

The Mondale tax plan will put the highest taxes in peacetime history on the backs of the American people.

Q Can you repeat that, please?

MR. SPEAKES: The Mondale tax plan would -- what did I say? -- put the highest taxes in peacetime history on the backs of the American people by increasing the tax burden to nearly 21 percent of the Gross National Product.

Q To nearly?

Q Nearly.

Q 21?

MR. SPEAKES: 21 percent.

All right. David.

Q Well, Mondale's plan also brings the deficit down to 1.6 percent of the Gross National Product. It seems to me that that's a goal that he shares with the President.

MR. SPEAKES: We'd like to reduce the deficit, yes.

Q How are you going to do it?

MR. SPEAKES: We're going to do it by submitting a budget that reduces spending, takes

every savings that we possibly can, maintaining the essential government services for the people, and at the same time we will look toward additional growth that is spurred by economic programs and proven track record of the last two years of economic success. And then we will look for additional savings as spelled out by some of the recommendations of the Grace Commission.

David?

Q Will the President accept --

Q Larry, if I could just follow up just for a second?

Q Yes, certainly.

Q Mondale's plan has \$5 billion in savings for waste, fraud and abuse. I presume the President doesn't object to that. Mondale's plan has cuts in agriculture price supports, which Reagan's administration said he will propose. Mondale has spending restraint in health and in Medicare and Medicaid, which the Reagan administration's talked about doing in a second term. So, doesn't it come down to basically you only differ with them on defense and taxes? Those are the only two --

MR. SPEAKES: Haven't analyzed it that close, but that's an awfully major subject for a difference and it's --

Q Well, but I'm trying to ask you about the other areas. Is it fair to conclude that he is basically proposing cuts and savings in the same areas where Reagan will propose them?

MR. SPEAKES: David, we would have to have a detailed analysis of it to determine whether -- what the difference, where he's going with it. So --

Q Larry, do you have any plans to --

Q Whether he reacts or not.

Q -- specify the spending cuts that you say you would make in place of these tax cuts?

MR. SPEAKES: Yes.

Q But will the President accept Mondale's challenge to lay out in detail --

Q Well, when will you specify those cuts?

Q Can't you find out?

MR. SPEAKES: In the 1985 budget.

Q Before the election, though, do you have any plans to specify then?

MR. SPEAKES: Well, we've specified them for four straight budgets. We've been as specific as any President in history.

Q Yes, but, Larry --

- 4 -

Q Well, your spending cuts have not amounted to reducing the deficit by two-thirds, three-fourths --

Q In fact --

MR. SPEAKES: Spending cuts, if enacted by Congress, would have substantially reduced the current deficit.

Q But the budget that you --

Q -- 1984 budget --

Q -- proposed this year --

Q Yes.

Q -- the budget you proposed this year had a deficit of -- what -- about \$180 billion or \$190 billion, wasn't it?

MR. SPEAKES: We're going to come in less than that.

Q Well, I know --

Q Well --

Q -- but even so -- in other words, your spending cuts wouldn't give that much of a savings on the deficit. So, how are we supposed to know how you're going to reduce the deficit next year?

MR. SPEAKES: Going to reduce it by increased growth, additional savings --

Q Yes, but in what areas?

MR. SPEAKES: Pardon?

Q Additional savings in what area?

MR. SPEAKES: We've specified over the years, over four straight years.

Q Yes, but the savings that you would have had in the -- if you'd -- if they had passed your -- this budget, the '84 budget intact, there still would have been a \$180 billion deficit.

MR. SPEAKES: But had they passed the '81, '82, and '83 budget, it would have been substantially.

Drake?

Q If you, as you said, haven't analyzed the Mondale plan that close and that you'd have to have a detailed analysis to comment on all these various aspects, then what is your reaction based on?

MR. SPEAKES: Based on a preliminary analysis of it which is sort of -- lets you look at it face to face -- it's pretty evident on the face of it what the differences are.

Lou?

Q Well, isn't that if it's -- on the basis of that preliminary analysis, then isn't the question posed by David right? You basically disagree on defense and taxes? Is there another area of disagreement that you --

MR. SPEAKES: I would assume that we probably -- certainly disagree about methods about going for the savings in these other areas, but I -- like I say -- I would have to see his plan in detail. And I think we'd have to analyze it to show you the differences.

George?

Q What --

Q How does it raise inflation?

MR. SPEAKES: How does it raise inflation? If it stops the -- if taxes, as we believe they would, would stop the economy cold in its tracks, it would certainly reignite inflation.

Owen?

Q How does that raise inflation?

Q One of the specific cuts proposed by the President over the past four years was Social Security. Does that mean that we can conclude he will propose that again in his new budget?

MR. SPEAKES: I don't know what we proposed in Social Security cuts.

Q Previously, during the prior four years -- proposed some reductions in Social Security. Since you said that --

MR. SPEAKES: -- not going to be --

Q Yes, you did, Larry, in May 1981.

Q Yes you did --

Q And the Senate rejected them, and you withdrew them.

MR. SPEAKES: Well, certainly, I understand that, but I'm talking about the Social Security -- bipartisan Social Security Plan that was worked out in 1983 that has made Social Security safe and intact through the next century.

Q You said that we can get clues of what the President is going to cut based on what he has proposed in these prior four years. That was --

MR. SPEAKES: I wouldn't look at that as a clue. I can certainly rule that out as a clue, and I think you know that yourself.

Q Well, can you give us -- what clues would you give us?

Q -- what about Medicare?

MR. SPEAKES: Once again, we have proposed a number of savings. We'll continue to propose savings. I'm not going through a roll call of all that. You may make your judgements as you like, but --

Q Well --

Q But can you be specific about how low a deficit the President would have by 1989?

MR. SPEAKES: We put out a mid-year review that takes it right down to, what, \$139 billion.

Q That's correct. So, you're sticking with that. You would rather have a larger deficit in 1989 than Mondale.

MR. SPEAKES: We would rather have a smaller percentage of GNP, which we have. Ours is 19.7, theirs is 20.9.

Q When you say --

Q You'd rather have lower taxes and a higher deficit, is that correct?

MR. SPEAKES: Pardon?

Q You'd rather have a lower tax burden but a higher deficit?

MR. SPEAKES: No. We'd rather have a lower percentage of GNP.

Q What is the tax burden ---

Q But, Larry, those numbers that you just used are the lower percentage of GNP --

MR. SPEAKES: That's right. You're right. Yes.

Andrea?

Q Larry, can you be specific about the Grace Commission? In Mondale's papers here, he says that among the Grace Commission's suggestions, which we've all reviewed, are policy changes which --

Q Could you ask her to speak up louder, we can't hear her.

MR. SPEAKES: Speak up louder.

Q Speak up louder, Sarah can't hear you.

Q What?

MR. SPEAKES: Sarah can't hear you.

Q I'm working for the right -- White House. Cuts in Social Security and Medicare and other policies, changes that the Grace Commission recommended, did the President endorse those as well?

MR. SPEAKES: The President has 200 -- 2,478 specific recommendations. Seventeen percent have been implemented, the other 83 percent are under study.

Q Are what? I'm sorry.

MR. SPEAKES: The other 83 are under study.

Q So you're not committed to any -- specific -- of those proposals?

MR. SPEAKES: Not until we study them, no.

Q Larry, what I'm saying --

MR. SPEAKES: And I wouldn't look for any changes in Social Security based on any in Grace.

Q -- can he be, will the President be specific about the Grace Commission cuts?

MR. SPEAKES: As we study them, yes, we will.

Q But before the election?

MR. SPEAKES: I don't know. It depends on when the study's completed.

Q When you say --

Q Well, when will, when's the study expected? Does the White House --

MR. SPEAKES: Pardon?

Q -- ask --

MR. SPEAKES: Ongoing in various departments, in various agencies, now.

Q Well, is there any pressure to get it before -- I mean, it's one thing for the President to go traveling around and saying that the Grace Commission is one way to cut the budget, but without being specific about it. Before the election?

MR. SPEAKES: You could -- are we going to be specific before the election? In some cases, we have been and in future cases, we will be. It just depends on the timing of the study.

Q Larry, the Heritage Foundation is working on a new set of recommendations for the second Reagan Administration and Ed Fulner says that one of the ways they think money could be saved is by making Social Security voluntary. (Laughter.) Would you know --

Q Say yes. (Laughter.)

Q Bite on that, Larry. (Laughter.)

MR. SPEAKES: No plans to change Social Security, period.

Q You said that --

Q Getting back to the question of why Mondale's plan would raise interest rates and raise inflation, you said, "Well, it would stop the economy cold in its tracks." But how does that translate into higher inflation and --

MR. SPEAKES: Well, if we look at the record of the --

Q Well, if you look at the record, usually no, you know. Stopping the economy in its tracks generally means lower inflation and lower interest rates. Why in this case wouldn't that be --

MR. SPEAKES: I don't know. Just be the case --

Q What people do you think this tax burden --

Q Let him answer the --

Q Oh, no, I mean --

Q Sorry.

Q In what school of economic thought are you basing that on? (Laughter.)

MR. FITZWATER: It would drive up spending.

Q What would drive up spending?

Q What spending?

MR. FITZWATER: Higher taxes. Higher taxes means more spending and has --

Q No. That's not what Mondale's saying.

Q He says it's going to --

Q -- if you've got to criticize his plan, you probably should --

MR. SPEAKES: We call it "trust me" fund.

Q -- you ought to take all of it.

Q No, that's what Nofziger called it. (Laughter.)

Q Whose spending are you talking about?

Q Some projection show hiring a bunch of --

MR. SPEAKES: Okay, anybody -- whoever?

Q Yes, what people whose backs you feel that these taxes will go on --

MR. SPEAKES: Go on --

Q -- Mondale says the people making \$25,000 or less would pay no additional taxes.

MR. SPEAKES: We have to deal with realities. Realities, in our terms, have been a 25 percent across the board cut for the American people. Mondale has to deal in promises, and we'll have to wait and see.

Q No, it's a specific part of his plan.

Q Larry, wait and see --

Q -- any more detailed reaction to Mondale, or is this it? I mean --

MR. SPEAKES: Yes. We've had Nofziger's statement initially this morning. You have Secretary Regan holding a press conference at the Hyatt Regency at this hour, and you have some Senators on the Hill later this afternoon. The Vice President has responded initially and will be talking more about it in North Carolina this afternoon.

MORE

#1197-09/10

-8-
Q See all the spontaneous reaction to this?

MR. SPEAKES: That's the way the game's played.

Q Larry, you said you would disagree with Mondale's methods of cutting the budget. What do you mean by that?

MR. SPEAKES: I said after we analyze it, chances are we would cut things that would be different from the things that he would cut.

Q You said methods. Somebody said "... do you disagree with anything other than the defense and the raising of taxes and --

MR. SPEAKES: When I say methods, methods of cutting spending. He'd cut different from us.

Q Larry?

Q You said about the method of going to savings --

MORE

#1197-09/10

Q You said about the deficit -- that he was going to have --

Q -- that was your answer to that question.

MR. SPEAKES: You save money by cutting the budget. We would cut different things than he would cut, I'm sure. But I haven't analyzed it.

Q But the question was, specifically --

Q But, Larry, the question --

Q Excuse me. The question related to the --

Q Are you going to let me have one or not? We've been waiting back here for a long time. Several of us. We don't have faces you can see in the back of the room, I guess.

Larry, let me ask you something.

MR. SPEAKES: Let her be.

Q You said a while ago that included in what you were going to do would be the savings that you had put forward in the last several years. Those savings that you put forward in the last several years, if they are going to be repeated, I presume, that would include a lot of cuts on poor women and poor children and Medicare for the elderly, social security and veterans. I understand you had to pay more just for veterans. Are you all ready to change your concept of savings and all?

MR. SPEAKES: What do you mean, concept of savings?

Q Your concept of where to cut to try to effect savings in the budget.

MR. SPEAKES: We'll be submitting a budget, Sarah, that will have --

Q I know that.

MR. SPEAKES: -- specifics in it. We've submitted them for four straight years that have had specifics in them.

Q Yes. I didn't say you didn't have specifics. I said are you going to have the same specifics.

MR. SPEAKES: We don't plan to -- we plan to look for savings. We look to plan to cut out fat. We plan to cut out bureaucratic waste.

Q If you cut out the same things that you've been cutting out, then you're really going to cut out a lot of people that you say you're trying to keep from going through the safety net.

MR. SPEAKES: All right.

Lesley, and then Bob.

Q Okay. The question about methods was David's question, asking if you disagreed with any of the domestic cuts.

MR. SPEAKES: Yes.

Q And you -- and then somebody said, but the only thing that you would disagree on are defense and taxes. And you said something about methods, and I'm just trying to figure out what methods.

MR. SPEAKES: The method of reducing government spending, the means, the specifics of reducing government spending. I would judge when we analyze these specific areas in domestic spending, that what he would cut and what we would cut are two different things.

Q On the domestic side.

MR. SPEAKES: Yes.

Q So you're disagreeing with -- so, finally, that's your answer to David, that you don't agree with the agriculture price supports and the other things he put on the domestic side?

MR. SPEAKES: I'm not being specific.

Q Well, he was being specific.

MR. SPEAKES: I understand that but I didn't address his question. I said we have not analyzed it, and until we analyze it, we can't be specific. But it would be my judgment, without looking at the specifics on it, that we would probably cut things differently from what he was.

We need to take the camera crews to the East Room, and pool writers, in about five minutes.

Frank.

Q But our best guidance for now is to look to the past budgets, is that correct?

MR. SPEAKES: Mondale says we haven't been specific. Yes, we have been specific. We've proposed budgets over four years. We have to deal in realities. Mondale deals in promises.

Bob?

Q Wait.

Q Is that a yes?

Q Is that a yes or a no to his answer?

Q It's a neither.

MR. SPEAKES: That's right. It's a neither. We have been -- that's the answer, not being specific. I'm not giving you guidance on what the '85 budget will look like because we haven't developed the '85 budget. Until we do, we can't be specific. It will be developed in the normal budget cycle.

Q So you won't --

MR. SPEAKES: Bob.

Q Who conducted the preliminary analysis?

MR. SPEAKES: Campaign? David Stockman, Dick Darman, Jim Baker, Marlin Fitzwater.

Q You were sitting in the office back there after Mondale released his plan. You weren't conducting any analysis. (Laughter.)

MR. SPEAKES: It didn't take Mondale -- it didn't take Fitzwater long.

Q It's all Marlin's fault. (Laughter.)

Q I just wanted to ask -- without changing the subject. In case you cut this off for the event, did you have, as Reverend Jemison indicated, a statement from the President regarding this meeting that he had with the Baptist group?

MR. SPEAKES: Are we looking for a statement? No.

Q Well, he indicated --

Q He said there would be one.

Q -- that you had something --

Q Going to put out --

MR. SPEAKES: No. The President thought it was an excellent meeting and the summation by Reverend Jemison that I have seen is --

Q Perfectly applicable.

Q If I could follow that up --

Q Is the summation included, what Bruce just said. If it -- he said the White House was going to be putting out some kind of statement and you're not --

MR. SPEAKES: No, not really. The President felt it was a good meeting. He expressed his views. Reverend Jemison has fairly accurately summed up what took place in the meeting.

Q Reverend Jemison didn't go into the specifics of what distortions the President called him in to clear up. Can you do that?

MR. SPEAKES: No. I think we'll just leave it where --

Q Do you want to do that?

MR. SPEAKES: Frank?

Q Larry --

Q Did the President make some sort of promises to that group to do something?

MR. SPEAKES: I don't believe so. Nothing, other than --

Q He said black small businesses -- the President said he would do more for black small businesses.

MR. SPEAKES: We certainly have a program in place for black colleges. Jemison mentioned black colleges and universities, employment for blacks and support for small -- black small business groups.

Q The President --

MR. SPEAKES: He said those were his concerns. "We feel he'll do some of the things we ask for." Certainly we have programs in place and plans to continue those programs for colleges, universities, small business and for employment.

Q Does the President feel he has won over a critic?

MR. SPEAKES: The President did not know when the Reverend Jemison left the meeting. And we've seen his comments on the lawn, but his comments have to speak for themselves.

Q Larry, on this general subject, if I may. Two part question: Dr. Jimmy Swaggart's secretary in Baton Rouge said this morning that she has never heard of his being "A well-received White House policy advisor" as Mr. Mondale described him, but she did know that he'd visited here at the White House. And his visit on July 9, to the EOB, he came along with 240 others for a briefing in which he provided no policy advice at all. The first part of a two-part question: Does the White House believe it was honest of Mr. Mondale to describe Swaggart as a "Well-received policy advisor"?

MR. SPEAKES: I think we'll let you take on Mondale on that.

Q Okay --

MR. SPEAKES: You should have been at his press conference.

Q Let me follow this up if I may, Larry. Is it accurate to say that while the President agrees with what Mr. Mondale says is his "outrage at child molesting", President Reagan has never served as honorary chairman of a fund raising banquet for a known and arrested Congressional child molester like Mondale did for Freddie Richmond?

MR. SPEAKES: I haven't checked the records.

Q Well do you know of any, Larry? That's what I want to know. Do you know of any?

MR. SPEAKES: No, I don't know of any, Lester. I don't know of any.

Q Well, he's -- he has served as honorary chairman for many of them, but we just don't know whether in fact they are child molesters or not. (Laughter.)

Q Are you suggesting --

Q -- give me some names.

Q Are you saying that the Administration has no plans

for a deficit reduction plan, to announce one before the election?

MR. SPEAKES: We've announced one beginning in 1981, Chris. That was four straight budgets approved. It was an exhaustive study by the Grace Commission which has come up with recommendations, and it is a mid-year budget -- mid-year budget update that has stated in great detail what our belief is about the growth of the economy, of the unemployment rate, and the fact that the budget will be -- steadily decline.

Q Do you have any plans for a new deficit reduction plan between now and the election?

MR. SPEAKES: A new deficit reduction plan? We've proposed them for four years. We put out a mid-year budget review this year that states that.

Q But do you have plans for a new deficit reduction plan between now and the election?

MR. SPEAKES: We have proposed four in a row. We will propose another one in the '85 budget. Had Congress been responsive to our deficit --

Q But not before the election?

Q Before the election? Can you --

MR. SPEAKES: Had Congress been responsive to our deficit reduction plan, had they been responsive to the one that we worked out this year, in greater detail --

Q Does that mean no?

MR. SPEAKES: -- then we would have been successful in lowering the budget even more.

Q So, no between now and the election?

MR. SPEAKES: Did you hear me say no?

Q I thought I heard you say no earlier.

Q Yes, I did.

Q You said that you --

Q I'm asking the question. No, seriously, can you -- I mean if you don't want to answer it, don't answer it.

MR. SPEAKES: The question is -- we have been as specific as any President in history has been by proposing reams and reams of budget reductions contained in budget, after budget, after budget, after budget. Four straight budgets -- they've shown deficit reduction plans that have been laid out before the Congress which the Democratic-controlled House has refused to act on time and time and time again.

Q Would we have had a balanced budget had they enacted what the Reagan --

Q Take us away from all this.

MR. SPEAKES: Yes, that's what I say.

Writing pool, go. Who's in it. Chris, Ira. (Laughter.)

Q I'm in it, so let me ask one quick question.

Q Larry, what could -- Wait a minute, Larry?

Q What's the --

Q -- I wish I could.

Q Larry, -- hold it. I don't have an answer --

MR. SPEAKES: I'll be here all day. I'm -- alright, go ahead.

Q Do you know the answer? Would there have been a balanced budget had they rolled over --

MR. SPEAKES: Would there have been a balanced budget? Had we not been saddled with the built-in tax increases of the Carter administration, had we not been saddled with a recession that would have -- that escalated the deficit, then there stood a chance of being -- a far better chance, in this administration, than in the previous administration.

So, Wall Street Journal lady?

Q Is there a chance of there being a ruling on the steel imports today?

MR. SPEAKES: No, not today.

MORE

#1197-9/10

And I really don't have a time table. We will probably have -- I know we'll have one more Cabinet Council meeting on it, perhaps later in the week, before we do. He has until the 24th and there's no --

Q 22nd.

MR. SPEAKES: 22nd. There's no specific schedule for doing it. He'll just get views in and do it.

Drake.

Q On the Jemison meeting again, since -- you don't seem to want to say what it was -- what the distortions were that the President wanted to --

MR. SPEAKES: I don't know because I didn't sit in on the meeting, Bruce. So, I don't know what he specifically -- but he's talked about distortions repeatedly.

Q What I was going to ask is whether we could safely assume that he was -- was he talking about the narrow issue of --

MR. SPEAKES: Civil rights.

Q Not the narrow issue -- But just civil rights, or did the distortions include --

MR. SPEAKES: Bruce, I don't know. I'll be glad to try to catch him this afternoon and ask him if he wants to be any more specific.

Q Would you ask him if he's going to have a news conference, also? Is he going to have a news conference soon?

MR. SPEAKES: Chances are he will, yes.

Q When?

MR. SPEAKES: I don't have a specific -- we don't have it on the schedule yet.

Q -- the '85 budget.

Q -- the election. (Laughter.)

MR. SPEAKES: Yes, ma'am.

Q You all have not done a detailed analysis of the Mondale proposal. Where did the \$1,800 per household figure come from --

MR. SPEAKES: The \$1,800 per household figure came in Mondale Economic Plan Number 1, at which we figured -- he admitted to \$60 billion in tax increases. Now, he admits to what-- \$80 billion?

MR. FITZWATER: \$85 billion.

MR. SPEAKES: \$85 billion in tax increases. We think it will take him -- how much? A hundred and --

Q Well, you said \$1,500 initially. Now, it's gone to \$1,800?

MR. SPEAKES: Oh, yes. No, we said \$1,000 --

MR. FITZWATER: At least.

MR. SPEAKES: No, we said \$1,000 originally.

Q Then \$2,000. It was \$2,000 the last speech.

MR. SPEAKES: Yes, now what do we figure? \$130 billion-and-some-odd in order to achieve what he says he'll do? You know, he increased his own tax -- he raised his own tax increase by 40 percent between Mondale Plan 1 and Mondale Plan 2.

Q Can I ask Marlin a question on this? Is that a real fair basis of determining, by dividing all households into a gross number? Because, obviously, it's weighted somehow.

Q Admit it, it's unfair. (Laughter.)

Q Thank you.

MR. SPEAKES: Wait a minute. We've got a couple of more we ought to --

Q You're talking about the programs you have in place.

MR. SPEAKES: Yes.

Q You're not talking about any new --

MR. SPEAKES: That's right.

Q -- new program --

MR. SPEAKES: He raised those specifics. Evidently, the President told him that he would try to do what he could and take his concerns in -- Frank.

Q Larry, you didn't mention it; but the President's remarks --

Q Into who?

Q -- his hypothesis, very qualified on tax increases, that still obtains?

MR. SPEAKES: As to what?

Q That still is in effect, his view is in effect, that if someday, so-forth and so on, then you might --

MR. SPEAKES: Oh, yes.

Q -- there's not much difference between what Mondale said today and what he's said in the past. Why are you now calling it Plan 1 and Plan 2? What's the distinction?

MR. SPEAKES; Well, he's changed it. He's increased his amount of taxes. He's been a little more specific. So, there is some change.

Q That's all?

MR. SPEAKES: Oh, I think there are other --

MR. FITZWATER: It's a big change. The CBO deficit estimate went up, as you recall, up to \$263 billion. His initial analysis was based on a lower deficit. So, his second -- in Plan 2, he had to raise more taxes in order to cover a larger deficit.

Q Right.

Q Oh, that's shrewd of you to increase the deficit and get him that way. (Laughter.)

MR. SPEAKES: Come over here, Marlin. Hold on one second. A couple of people --

Q On the President's request for an investigation of tobacco imports, has he ruled out any emergency action by himself, without going through the ITC?

MR. SPEAKES: I don't know the answer to that.

MR. FITZWATER: I'm sorry. I didn't hear, Larry.

MR. SPEAKES: Tobacco imports, emergency action. Why don't we --

Q Rule that out?

MR. SPEAKES: Why don't we check on it for you. I --

MR. FITZWATER: Tobacco imports?

Q Yes.

MR. FITZWATER: We have an announcement this morning that he has asked the International Trade Commission to begin an investigation --

Q Yes, has he ruled out -- in making that request, has he ruled out any emergency action by himself --

MR. FITZWATER: Well, we can't make that judgment until they -- No.

Q Did Jesse Helms come into --

MR. FITZWATER: I don't think a decision has been made yet. We'll have to wait and see what the investigation --

Q But --

MR. FITZWATER: If I understand your question.

Q Well, my understanding, he has the authority to impose controls without going through the ITC, just on his own.

MR. FITZWATER: Well, the decision now is that we need to seek the information through the ITC.

Q So, you have put off any emergency -- without waiting for the investigation.

MR. FITZWATER: I don't think it necessarily follows that a decision has been made on that issue.

Q But you're going to wait for the results of the investigation?

MR. FITZWATER: That's right.

MR. SPEAKES: Let's go to Mick and quit.

9 -

Q Following up on Frank's earlier question about whether the President thought he had won over a critic, you said the President didn't know what Jemison said, you do. Do you think the President won over one of his critics?

MR. SPEAKES: I would let Jemison and the --

Q Reverend Jemison.

MR. SPEAKES: The Reverend Jemison. And I would let one of the wire service leads, which said the President won over one of his critics, speak for themselves.

One more and let's quit.

Q Larry, the Soviet Deputy Foreign Minister said this morning -- that so far as they're concerned Gromyko may come down and see the President. What's your --

MR. SPEAKES: We have scheduled a meeting with Secretary Shultz and Foreign Minister Gromyko at the United Nations in New York. And I wouldn't look for any meeting between the President and the Foreign Minister prior to that meeting. We'll just have to see what the scheduling is after that.

Q Has there been any contact with the Soviet hierarchy about such a meeting?

MR. SPEAKES: There have been continuing contacts with them about the Shultz-Gromyko meeting. And whether that has led to a discussion of whether he'd meet with the President, I'm not prepared to say.

THE PRESS: Thank you.

END

1:47 P.M. EDT