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# THE WHITE HOUSE

### Office of the Press Secretary

PRESS BRIEFING BY LARRY SPEAKES

November 27, 1984

The Briefing Room

12:00 P.M. EST

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## THE WHITE HOUSE

#### Office of the Press Secretary

PRESS BRIEFING BY LARRY SPEAKES

November 27, 1984

The Briefing Room

12:00 P.M. EST

MR. SPEAKES: The President is presently concluding his meeting with Prime Minister Mara of Fiji and will go to the State Dining Room at 12:15 p.m. for lunch, with departure statements scheduled at 1:15 p.m. from the South Grounds. Open press coverage.

Assistant Secretary Wolfowitz will be here on background on 1:30 p.m. or shorly thereafter to discuss the meeting.

At 2:00 p.m., Secretary Regan will be addressing the press in the main Treasury Building, the Cash Room, to discuss the President's tax plan. It will be piped in here, we think, but we're not certain on that. And we're expecting the material from Treasury shortly so that you can have it here.

I have two items for you --

Q -- hold for release?

MR. SPEAKES: Pardon?

Q Do we get it a little early and a hold for release?

MR. SPEAKES: If we get it, you can.

MR. FITZWATER: We're at their mercy, Bill. And I don't know how soon we'll get it --

MR. SPEAKES: I think they just got a big printing job.

I have here now a statement by the President on the tax plan. And in addition to that, I'll have an arms control statement that I will make.

First of all, the President's statement. Sandy, you can go ahead with it. I will paraphrase some of the statements, and you'll have them -- the President's statements in the entirety. He's basically saying that he has taken the document and placed it under study, as I said this morning, and that he has made no decisions on a tax proposal which he will be submitting in late January.

He points out that he's taken the -- asked Treasury to take the unusual step of making -- it's public in its entirety so we'll have the opportunity to hear from all Americans including Congress, leaders, members of the Tax Writing Committee, and particularly the taxpayers themselves.

He's aware that it will generate debate and that he has asked all those who are interested to make their views known to the Treasury Department.

The Cabinet met this morning again, and the President was with them briefly in which he indicated to them that he was formally receiving a report this morning and had made no decisions on it. Secretary Regan proceeded to brief the Cabinet for an hour, giving them an overview of the plan.

\* Anything on taxes you need short of listening to the Secretary later?

Q You said you were going to -- the President was going to have some kind of statement at the Cabinet meeting --

MR. SPEAKES: It was --

Q -- beyond this.

MR. SPEAKES: Well, that is not the Cabinet meeting statement. That is the statement he's making for the public. The statement he had at the Cabinet meeting was to indicate that he appreciated the work which was considerable on the part of the Treasury and that he was taking it under advisement and that he emphasized no decisions had been made.

Charles?

Q Larry, aren't you in effect cutting the legs right out from under this thing with all this: This is not a Reagan proposal; this is a Regan proposal, stories today saying that, "Well, we're going to study it. This is not -- that there's dissension in this" -- aren't you basically saying that this is nice, but it's not going to fly?

MR. SPEAKES: No. I would like to knock down with both fists any story about dissension within the administration on the tax plan. There has not been time for dissension, as I pointed out, because we have only received a brief overview of it yesterday. It is a complex system -- a complex study designed to attack a very complex problem, so the President has not reviewed it in any large measure and will not be able to do so over a period of time. But this is the way we intended to do it. We intended to lay it out for public --

Q -- never. (Laughter.)

Q -- do it?

MR. SPEAKES: Pardon?

Q Not ever.

Q Well, when you say the President has reviewed it -- I think we're asking, isn't that part of the strategy, that he is kept very far apart from this and that Regan is the point man who's to take any heat from the lobbyists, the various interest groups?

MR. SPEAKES: The President did not approach this with any degree of naivete because he was aware fully that this was going to be a controversial plan. It's something that touches every aspect of American society. But he is aware that with the thrust of the plan, which in effect lowers individual tax rates considerably, simplifies it, and the main thing — the overriding principle — I think, on Secretary Regan's part is make it fair.

And Regan has tried to do so in every aspect, that a family earning \$50,000 with two children in the same block on the same street now does not pay the same taxes. He would like to devise a plan that would cause them to pay relatively the same taxes.

Q Well, can you respond to Congressional criticism already to the point that why take on this political burden of tax simplification if you're not going to be doing anything with it to help solve the deficit problem? Can you respond to that?

MR. SPEAKES: The President is committed to two approaches -- one, to cut spending that would attack the deficit

program and encourage growth and at the same time to simplify taxes which, in effect, can encourage growth and can attack the deficit problem.

Q But in the face of it, by being revenue neutral this plan in and of itself does not do anything for the deficit. And there are reports that the President is going to receive budget illustrations that are so drastic that it will become clear to him

that the spending side is not a viable way of really handling the deficit and reaching his targets? MR. SPEAKES: He does not agree with that nor does -- the administration position does not agree with that. We believe that the people elected -- the election was fought and won on the principle of, on the following principles: no tax cuts and reducing government spending. No tax increase --MR. SPEAKES: No tax increases, and reducing government spending. And that is what he has set out to do and he believes he has the support of the American people. Q Larry, on that point, and my recollection is that his language in August and September was tax increases would be a last resort. And now you're saying that the election was fought and won on the principle of no tax increase. So it's safe to assume, then, that he hardened his position -- "over my dead body, absolutely no tax increases" -- since this subject was first broached in the summer when it was simply a last resort. MR. SPEAKES: It's still a last resort, but the last resort is a long way down the road in his mind right now. Larry, the President appears to be approaching this thing as if it's some sort of an alien object. Now does that mean that there was no input into all of this planning by the Treasury Department from the White House? MR. SPEAKES: You're right. Did you folks have any input whatsoever? MR. SPEAKES: No, we do not. Frank? What's happened to the underground economy and the \$100 billion that the President thought might be --MR. SPEAKES: The underground economy is something that the Treasury Department wants to attack and to raise money. There're estimates from economists that are as high as \$100 billion that can be collected from the underground economy, but Treasury has made no judgment specifically on any specific amount. This plan does not affect that whole hypothesis? MR. SPEAKES: Is that in -- is any underground economy in there? MR. FITZWATER: Well, it affects it in a couple of ways. One is that people who aren't paying taxes and should pay taxes and should pay taxes hopefully would be more encouraged or more likely to pay their taxes under a fairer system and, secondly, that this would undoubtedly change some of the shelters that are currently used, apparently used to avoid paying taxes. So it's not aimed directly at the underground economy, but it's hoped, at least, that there would be a benefit of receiving some of that money. I think Secretary Regan can do a better job than I this afternoon, but that's the general thrust. You don't know of any net gains predicted, though? MR. FITZWATER: I don't know of any specific numbers, no. MR. SPEAKES: No, I don't think they're in there. But there is an expected revenue side of this? #1237-11/27 MORE

Q What?

MR. SPEAKES: Is there an expected revenue side? No, not necessarily. I don't think anybody's making any predictions as to what the underground economy could produce.

MR. FITZWATER: We lose about \$100 billion a year, and we'll take all we can get, but I don't if there's an estimate on how much.

Q Isn't that \$100 billion an estimate that was used before TEFRA, before the \$100 billion tax increase in '82? I mean, it seems to me that the administration has not revised that \$100 billion, even though it's passed two tax bills designed to close loopholes.

MR. SPEAKES: I don't think we've used it recently.

Q So you don't agree with it?

MR. SPEAKES: I don't know. Treasury says they do not have an estimate on that.

Q -- used the last week of the campaign, Larry?

MR. SPEAKES: Did he?

MR. FITZWATER: -- ball park number the underground economy has been placed at anywhere from \$90 to \$120 billion over the last two or three years, based on whose estimate you get, but it's a ball park figure from the IRS.

Q Larry, has the President expressed any general reaction to this plan, either that, at first glance, it seems to be kind of what he expected or that this is nothing --

MR. SPEAKES: He does so in his statement here, in which he says, "At first glance" -- checking your words -- "the Treasury study proposes a simpler and fairer tax system, with lower rates for taxpayers, and personal exemptions increased to \$2,000." And it also is not simplification in the guise of an increase.

Q Can we conclude from that this would form the foundation for whatever plan he would eventually send Congress?

MR. SPEAKES: I would think so, yes.

Q Start with this and modify it, rather than scrap it and do something --

MR. SPEAKES: Oh, yes, I'm confident of that, because it's a year's work that's gone into this and it would be hard to start from scratch in 30 days.

Q But this is, at least in very general form, what he had wanted in terms of a tax simplification plan. Is that fair to say?

MR. SPEAKES: No, what he wanted was a thorough study, and he has that and he has the benefit of that study, and how he will take the benefit of the input of the American people and the Congress, and so forth.

Bob, and then David?

Q You said that the election was fought and won on the

following principles, no tax increase and reduced government spending. He did not include in there tax reform and simplification. I think the question that a lot of us have right now is to what extent is the President prepared to take this on as one of, say, two major priorities, two of the major priorities of his second term, and to what extent is -- granted that this is not necessarily going to be the final form -- to what extent is he prepared to fight for this, to expend political capital, to really take this to the people as he has on other issues? MR. SPEAKES: I think the President will give equal billing to his budget and to his tax reforms. The budget, of course, will have an urgency to it, because it must be approved this year in order to operate. The tax simplification, while not having the same urgency, will have the same dedication on the part of the President. Are you saying, Larry, that you don't expect anything this year? MR. SPEAKES: No, we would hope for something this year. We just have no way. There's pending legislation on the Hill in both houses that we will be discussing with those people that are actively involved in that.  $\,$  Q  $\,$  Is there likely to be a linkage between budget cuts that he may propose and this tax reform package? MR. SPEAKES: I don't think so. Q Larry, generally the conventional wisdom, which is frequently wrong, is, of course, that the President has the first year of his second term to push these things through now. The package that you're at this point looking at perhaps beyond the first year, is it reasonable to expect that this is ever going to get through or is this going to become kind of the new federalism of the second -- (laughter) --MR. SPEAKES: We're hopeful that it could get through this year, but whether it can or not, I'm not making any predictions. Larry, has the President been given any estimates about how many people who got tax cuts in Kemp-Roth would lose them under this plan? MR. SPEAKES: No, I don't think there -- there has been some analysis of Kemp-Roth, but it has not been run through Treasury's model. Let me ask a follow-up. Reagan, in his campaigns, has always said that businesses don't pay taxes, people do. He's always argued for lower taxes for both businesses and to individuals. Is he prepared now, as part of this, to see a major transfer of burdens from individuals to businesses? I mean, does he see that kind of trade off as necessary as part of this process? MR. SPEAKES: That is what is in the Treasury study. The President has not expressed a view on that. Q And as a large principle -- I mean, it's also part of some of these other plans, too. I mean that's the basic principle on which this thing operates, and you're saying he hasn't even accepted that as a --MR. SPEAKES: He has not expressed a view on it. It has not come down to that within the study. I mean, the study is there and it's something he's reviewed. Q Well, Larry, when the President said, I guess a year-and-a-half ago, that he'd like to see corporate income tax abolished and expressed his opinion on that, has he changed his mind? #1237-11/27 MORE

MR. SPEAKES: I don't think he's been asked on that, since that was a couple of years ago.

Q Can we assume he still believes the same thing --

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MR. SPEAKES: I don't know. I wouldn't make that assumption, no.

Q Larry --

 $$\operatorname{MR}.$$  SPEAKES: Let's get Lester out of the way, then we'd better go to arms control, or we'll be here half the afternoon.

Q Larry, The Washington Post published an editorial --

MR. SPEAKES: Is this on the subject of taxes?

Q No.

MR. SPEAKES: Let's hold off, then.

Q I just want to ask one question. This statement says the President's going to be studying this. Just how is he going to be studying it? Page by page?

MR. SPEAKES: I think he will study it page by page. I think he will also study it in conjunction with his staff and cabinet and he will study it in conjunction with congressional leadership, committee leadership, and he will certainly hear the voice of the American people on it, the taxpayers.

Q The end of the statement makes a reference to pursuing it in a bipartisan manner. Will he attempt to get bipartisan support for this bill before he sends it to Congress?

MR. SPEAKES: We're going to talk to members of both parties. Both bills, I believe, are bipartisan bills now that are pending up there, and we're going to talk to those people that are involved.

Q But would it be his preference to try, first, to get a number of Democrats to endorse whatever simplification he will propose in sending --

MR. SPEAKES: I think that remains to be seen. We're going to talk to the leadership and the committee chairmen and the authors of the current legislation in order to try to work it out.

Q Well, Larry, the two bills that you're referring to are Kemp-Kasten and Bradley-Gephardt? I mean, those -- Republican --

MR. SPEAKES: Those are the principal --

Q They're not bipartisan. They're partisan.

MR. SPEAKES: Lester, hold off until I finish. Arms control. I will have a -- what I want to do here is to address the statements by Mr. Chernenko yesterday, give you a brief overview of how we're going to proceed within the administration between now and January 7 and 8, when Shultz meets with Gromyko, and then I will give you a printed version of a statement which simply lays out some policy on the strategic defense initiative.

In the meeting with the British labor leader, Neil Kinnock, yesterday, Mr. Chernenko is reported to have said that Moscow's prepared to dismantle some of its medium-range missiles based in the European part of the Soviet Union and that the coming

negotiations with the U.S. would deal with "the entire complex of interconnected questions" regarding weapons in space and strategicand medium-range nuclear weapons. His description of the subject matter to be addressed first and foremost in these discussions appears to be consistent with the views we have expressed in our statements. And we look forward to further expiration of the issues in diplomatic channels. On another matter, some of you have asked about our senior arms -- in another matter that some of you have asked about, yesterday our senior arms control group met at the White House with Bud McFarlane. This group is composed of the key representatives of the State Department, Defense Department, Arms Control and Defense Agency, Joint Chiefs of Staff, the CIA and the National Security Council. This group will be meeting two or three times a week in order to prepare for the negotiations in January. The President will be meeting with the National Security Council principles on arms control issues about once a week between now and the January 7th and 8th Shultz-Gromyko talks. And he will continue his personal involvement as the negotiations take shape and proceed in the months ahead. The President's next NSC meeting on arms control -- and this will be the first since the new talks were agreed upon -- will take place, in all probability, later this week. The President will also be in communication with other Western leaders with arms control on the agenda. We've already announced meetings with Chancellor Kohl for this Friday and Prime Minister Nakasone on January 2nd in Los Angeles and with Prime Minister Wilfred Martens of Belgium on January 14th. The President remains fully committed to moving the negotiating process along. He will be reviewing studies on Soviet objectives and their likely strategies in the negotiations and will be providing guidance to our negotiators on our objectives and our strategy for pursuing them. Some have also asked about our views on the value of the strategic defense initiative as we approach these negotiations. This begins the formal statement, which -- printed version coming shortly. Oh, it's here. Why don't we go ahead and pass it out? I'll begin reading. Since the advent of nuclear weapons, we have largely depended upon the threat of prompt nuclear retaliation to deter aggression. This approach has worked. And we, along with our allies, have succeeded in protecting Western security for more than three decades. At the same time, we are constantly searching for better ways to strengthening peace and stability. On March 23rd, 1983, the President announced a decision to take an important first step toward investigating the possibility of an alternative future, which did not rely solely on nuclear retaliation for our security. This involves an intensified research program aimed at establishing how we might eliminate the threat posed by nuclear armed ballistic missiles.

The Strategic Defense Initiative is a research program consistent with all our treaty commitments, including the 1972 ABM Treaty. The United States is committed to the negotiation of equal and verifiable agreements which bring real reductions in the nuclear arsenals of both sides. To that end, the President has offered the Soviet Union the most comprehensive set of arms control proposals in history. We're working tirelessly for the success of these efforts. But we can and must be prepared to go further. It is intended that our research efforts under the SDI compliment those arms reduction efforts and help pave the way to a more stable and secure world.

State 1 4 1 165 - 9 -In the near future, the SDI research and development responds to the massive Soviet ABM effort, which includes actual deployments and thus provides a powerful deterrent to the Soviet breakout of the ABM Treaty. In the long term, SDI may be the means by which both the United States and the Soviet Union can safely agree to very deep reductions, and perhaps someday, even the elimination, of offensive nuclear arms. In short, through the SDI research program the President has called on the best scientific minds in the country to turn their collective talents toward the cause of strengthening world peace by established the feasibility of rendering nuclear weapons imponent and obsolete. In doing so, the United States seeks neither military superiority or political advantage. Our single purpose with this initiative is to search for ways to make the world a safer place. Andrea. A group of rather distinguished people, including McNamara and others, yesterday -- Bundy -- said precisely the opposite regarding this initiative, that because it cannot be a complete deterrent -- a completely secure system, that it permits -that it's destabilizing because -MR. SPEAKES: I would ask Mr. McNamara and his colleagues how does he know this. Well, by the very fact that you cannot ever guarantee a system that will defend against all incoming missiles. MR. SPEAKES: Has Mr. McNamara completed the research? Even the people who are doing the research acknowledge that you can't get 100 percent --MR. SPEAKES: I don't think that's true because the people doing the research have not completed the research. Nobody suggests that this is going to be a 100 pecent system. MR. SPEAKES: Well, we'll have to wait and see. Do you have anything on that Aspen Study Group Report? MR. SIMS: The State Department is addressing that. don't have anything here on it. And I'm not going to -- Sorry. Well, is this intended to be a response to it? Yes, is this meant to be a response to these four people? MR. SPEAKES: It is. It is? It is? 0 MR. SPEAKES: Yes. And what is the State Department putting out? Something to be --MR. SIMS: Aspen -- a discussion on it. This is not --This is two different --#1237-11/27 MORE

- Q Two different things.
- Q Bob's going to have to speak up.
- Q -- can't hear.

MR. SPEAKES: Two different items. The Aspen study is -- the State Department is answering in detail today. This is the response to Mr. McNamara and colleagues.

And now, from Moscow.

Q Larry, should we take it that no matter what -- no matter what kind of agreements could be reached through the Soviets, you're going to go ahead with SDI?

MR. SPEAKES: With what? SDI?

O Yes.

MR. SPEAKES: I would think this would all be a matter of discussion within the context of the arms control talks that we hope to enter into.

Q No, but from this very statement is pretty evident that you are going to go ahead with SDI, no matter what kind of agreements could be reached with the Soviets.

MR. SPEAKES: Well, no. What we would do is have a discussion with the Soviets. And all of this would be in the context of the discussions.

Q Larry, I thought that the administration's position was that SDI was not negotiable in any such --

MR. SPEAKES: No, no --

Q ASAT would be; but SDI was separate and it was basically not negotiable.

MR. SPEAKES: Well, I think all of this will be in the context of the discussions.

Q Larry, who is chairing the senior arms control group?

MR. SPEAKES: Bud. Right. Yes.

Q How does -- your description of the process, how -- I think you're making a point that this differs from the process previously. Do you want to elaborate on how it differs from the way that the previous initiatives were decided upon?

MR. SPEAKES: No, I don't think there's any outstanding difference between the two. No.

Q -- Richard's in that group, do you know?

MR. SPEAKES: I don't know. Is Perle and -- who's the other? Richards?

Q Burt.

Q Burt.

MR. SPEAKES: Oh, Burt. I never thought of him as a Richard.

Q (Laughter.) Oooh.

- Q Oh-oh.
- Q Tea leaf time. (Laughter.)

MR. SPEAKES: Are those two guys involved?

MR. SIMS: They're involved, Director Adelman, Ambassadors Nitze and Rowny --

2 -- are they representing their principals --

MR. SIMS: -- various people.

Q -- McFarlane group?

MR. SPEAKES: Are they representing their principals? Yes. Right?

MR. SIMS: They are among the representatives of their principals.

- Q This weekly meeting of the President is a difference, is it not? He never participated in a weekly --
  - Q This is more time than he's devoted to it before.

MR. SPEAKES: Well, of course, because we're a month away -- six weeks, five weeks away from talks, so we are -- the President is more actively involved than he was in the period leading up to the -- in the interim here.

 $\ensuremath{\mathtt{Q}}$  The weekly meeting will not continue once the negotiations begin?

MR. SPEAKES: Not necessarily; but that decision has not been made. It may be more frequent than that, depending on what goes on in Geneva and thereafter.

 ${\tt Q}$  Will these meetings merely be an informing of the President of what is going on? What are these meetings  ${\tt \sim}$ 

MR. SPEAKES: Before or after?

Q Before. Leading up --

MR. SPEAKES: Before. No, before it will be a -- as I say in the statement, a discussion, first of all, on what we believe the Soviets goals and intentions are as they meet with Secretary Shultz, and hopefully others later. And the President will begin to give direction to his own negotiating -- Secretary Shultz and others concerning how we would deal with the Soviet approach -- that we believe -- the approach the Soviets are going to take.

Frank.

Q Is he basically studying up more on this subject? Is he reading more? Is he --

MR. SPEAKES: No, I don't think more than in the last couple of years. I think what we're doing now is dealing with what we believe are the specifics in the area that we will have to deal with.

Q You said that Chernenko's statement was consistent with what the United States has said. But I thought the United States has said that it could be handled -- the negotiations could be handled separately or together or any way they wanted to do it.

MR. SPEAKES: We said that we're open to suggestions on -- to proceed either way. And that would be a topic for discussion

MR. SPEAKES: That is certainly our position and we'll make those views known to the Soviets. We think that it is an approach that is certainly worthy of our research that has taken place and that -- one that could lead to some stability.

Q So the emphasis in this area, then, is on persuasion rather than on limitation?

MR. SPEAKES: On SDI?

Q Yes.

MR. SPEAKES: I think for the time being, yes. But we'd certainly welcome the Soviet view on it.

Q Are you -- do you intend to suggest in this statement any particular Soviet violation of the ABM Treaty that goes beyond --

MR. SPEAKES: No.

Q -- what has been said previously?

MR. SPEAKES: No, we have not.

Q When you talk about the threat of a Soviet breakout.

MR. SPEAKES: No, we're not --

MR. SIMS: -- not suggesting anything specific in this.

MR. SPEAKES: Enough on arms control? Let's get Lester out of the way.

Charles.

Q Just one other thing, the follow-on after Shultz, where are you in terms of getting someone who will conduct the follow-on --

MR. SPEAKES: I think that remains exactly where Bud left it on Sunday, that there are two or three people that are -- come to mind as likely candidates for that; but, as to whether -- how that position would evolve or how it would be utilized has not been decided, nor who would take the position.

- Q Can I follow on that?
- Q When do you need to decide that?

MR. SPEAKES: I don't know that there is a specific timetable for it. I guess it could be decided and that person, if we decided to go that route, could go to Geneva with Shultz. Or it could be something that could develop after that as a follow-on. So, it honestly hasn't been decided.

Q There's a report that Nitze is planning to go with Shultz to Geneva without portfolio.

MR. SPEAKES: Yes.

Q Before being named envoy.

 $$\operatorname{MR.}$  SPEAKES: I'm not aware of that. We might check State and see.

 $$\operatorname{MR.}$  SIMS: We haven't listed any people who would accompany the Secretary.

- Q Can you --
- Q The fix is in.
- Q Can you comment -- would you deny that report that was -- I guess it was in The Times --

MR. SPEAKES: I don't know anything about it. I'd check with the State Department and see. You know, it --

MR. SIMS: Just isn't a delegation yet. Except Shultz. We know he'll be there.

MR. SPEAKES: Let's go to Lester. Anything else on arms control? And then go home.

Q The Washington Post published an editorial this morning which strongly suggested that it's a good thing for Congressmen to participate in a program of invasion of a foreign embassy here in Washington, being South Africa, not the Soviet Union. While The Washington Times published a column last week which defended the bombing of abortion clinics. My question is what is the White House position with regard to these forms of protest, presuming, of course, that the President cares about such things?

MR. SPEAKES: Mr. Fitzwater has spoken to Mr. Allen last week in regard to the bombing incidents of abortion clinics. And as far as the --

Q Is his statement in the transcript?

MR. SPEAKES: It is in the record, yes.

And as far as the protests that are taking place in the embassies, that is certainly a matter that is -- since an embassy is regarded as foreign territory, it's a matter that is being handled by the embassies and our government is merely responding to the request by the embassies.

Q Well, the President, is he in support of this program that The Washington Post supports or is he opposed to an invasion of either South Africa or the Soviet Union or any other country? Is the President opposed to it, Larry? That's what I'd like to hear from your august lips.

MR. SPEAKES: Yes. Lester, I would have to ask him. I would bet I would guess his answer; but I don't have --

 $\ensuremath{\mathtt{Q}}$  Well, go ahead and guess. He would be opposed to it, wouldn't he, Larry?

MR. SPEAKES: No, I don't think I'll --

Q He certainly wouldn't countenance --

MR. SPEAKES: -- guess.

Q -- would he? What?

MR. SPEAKES: I don't think I'll guess.

Q Is the President planning a news conference in the next few days?

MR. SPEAKES: I think probably we will have one in the next couple of weeks, yes.

- Q Weeks?
- Q Next couple of weeks?
- Q Days?

MR. SPEAKES: A couple of weeks, yes.

Sarah.

Q Larry, in your arms control statements, you did not respond to a statement by Chernenko, which was in Pravda today, about offering a kind of missile-for-missile reduction, offering the British that and saying they could offer the United States the same

MR. SPEAKES: On the idea of lumping in British and French missiles as a part of the overall program, we've expressed our views on that and that is not something that we would want to do.

Q What about this missile-for-missile proposal?

Larry, you could you -- we couldn't hear that back

MR. SPEAKES: It would be something we'd discuss with the Soviets, but not until we have an opportunity to sit down face to face with them.

Q Larry, can you further characterize what kind of a budget presentation is to be made to the President tomorrow? Is he going to get -- is he going to get an entire program that's finished and ready to -- you know, suggestions for cuts or is this the first installment of several, or how is it going to work?

MR. SPEAKES: I think it will be a detailed enough program that will provide recommendations and options in a number of MR. SPEAKES: areas that will enable him to make judgments as to a general outline of how he wants to proceed; enough for him to give instructions to the OMB Director that he can, thereby, pass them along to the, in specifics, to the departments and agencies.

Will it include defense?

MR. SPEAKES: The presentation to the President, yes, will include defense.

The one tomorrow will include defense. That's not going to wait until another week or something. And you said recommendations and options. Which one is it? I mean, is it one package -- here, this is how you can cut \$100 billion -- or is it a series of options -- you can choose any of these ways to cut \$100 billion?

MR. SPEAKES: It is a series that would include if you want to take all of the above, you can cut so much; if you want to take items A and B, you can cut a little bit less; if you want to take item A only, you could cut even less.

And this is also not -- there are more cuts there than need to be made to reach the target so that there are, for example, some options that could be ruled out and the target still be reached?

MR. SPEAKES: It all depends on what the target is.

Well, I understand that. But isn't it true that there are more options on the plate than need to be -- there are some things that could be ruled out and the target could still be reached.

MR. SPEAKES: No, if you want to reach your ultimate target of a deficit going down to a target level, then Stockman is recommending, if you want to go this far, you take them all. If you don't take them all, you don't go that far.

Is the target something that has been given by the President to the group or are they giving him a series of different targets?

MR. SPEAKES: I think it is -- the target is more in a percentage of GNP that the deficit would occupy. And that's -- it's 4 percent, 2 percent. If you want to get down to 2 percent by a certain date, you should take this many dollars out through this many cuts.

One follow-up. Is there an effort to keep this

MR. SPEAKES: No, I don't think so.

Bob?

Back to the South African protests, is the U.S. government doing anything to obtain the release of the 13 labor leaders who were recently detained in South Africa?

MR. SPEAKES: I don't know anything about that, but I am in the process of arranging for you, next week, hopefully, that we will bring Assistant Secretary for African Affairs --

Crocker?

MR. SPEAKES: -- Crocker, here into this briefing room to answer any and all of your questions that you have on our policy in Southern Africa.

How many years does this recommendation tomorrow cover?

MR. SPEAKES: I would guess, three, but it will be projected out to five, as required by law.

Larry, do you know what day Crocker will be here? Do you know what day Crocker might be here?

MR. SPEAKES: What day? No, we don't have a day -- or do we have a day?

MR. SIMS: Well, we'll try to tie that in to the next time he reports to the President and I don't know when that would be.

THE PRESS: Thank you.

END

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