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THE WHITE HOUSE
Office of the Press Secretary

PRESS BRIEFING
BY
LARRY SPEAKES

July 26, 1985

The Briefing Room

1:05 P.M. EDT

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#1514-07/26

THE WHITE HOUSE
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PRESS BRIEFINGS
BY
LARRY SPEAKES

July 26, 1985

The Briefing Room

1:05 P.M. EDT

MR. SPEAKES: The President and Mrs. Reagan will be at Camp David for the weekend. The radio address is at 12:06 p.m. tomorrow. They'll be back on Sunday afternoon.

I've got statements on Joint Tax Committee report and Strategic Defense Initiative, something in the paper about the Soviets, and South Africa.

On the Joint Tax Committee statement, we're pleased that their study of the estimates of revenues that will be produced by the tax -- President's tax reform proposal are very closely in line with those of the Treasury Department. As Secretary Baker and the leaders of both the House and Senate committees have said, that the Congress and the administration are confident that legislation implementing the proposal will be completed before the 99th Congress adjourns.

The President is grateful for the strong support from both Chairman Rostenkowski and Chairman Packwood and we will be working with them as their committees begin to write their respective bills. We have the opportunity to introduce the principles of fairness, simplicity and growth back into our tax code and we are confident that Congress can and will move quickly to pass tax reform legislation. The President then will have the opportunity to sign one of the most important pieces of legislation in our history.

As the Secretary and the Chairman pointed out yesterday, that the Committee estimate and the White House revenue estimate were less than one-half of one percent difference between the two and that mainly it was due to different assumptions, honest estimating errors, and some economic and tax data that were not available when the program was drafted.

So, all in all, we have a very optimistic outlook for tax reform.

David?

Q Nonetheless, the Joint Committee's estimate of \$25 billion was twice what Treasury -- what is revenue neutral? One percent, one-half --

MR. SPEAKES: One percent, yes. But both are within one percent of the overall revenues.

Q So you're committed maybe to adjusting the plan somewhat to bring it more --

MR. SPEAKES: Yes. We'll be working with the committees to try to make some adjustments where it will be as close to revenue neutral as one can make it.

Q Well, what is -- \$25 billion is what percent?

MR. SPEAKES: It's less than one percent.

MORE

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Q It's still is?

MR. SPEAKES: Yes, it's still less than one percent.

Q When you --

MR. SPEAKES: It shows you how much money we're dealing with when the difference between \$11.5 billion and \$25 billion is still under one percent, both are under one percent, so -- a lot of money there.

Q One more thing on that. You say you're confident the legislation could be completed before the 99th Congress adjourns. What does -- does that mean this year or --

MR. SPEAKES: It means this year. It does.

Q It doesn't adjourn until --

Q December.

MR. SPEAKES: Until the 99th recess is --

Q The 99th adjourns when?

Q The end of '86.

Q In '86.

Q You mean the first session of the 99th?

MR. SPEAKES: Yes.

Q The first session.

Q That's what I'm asking. When you say 99, you mean

--

MR. SPEAKES: Yes. We expect it this year. No change from that -- until the 99th recesses this year.

Q Larry, on that point, I believe Senator Domenici met with the Vice President this morning and said you can't -- you know, that taxes are dead until the budget goes through and there's still nothing on the budget.

MR. SPEAKES: I'll come to the budget in just a little bit.

Q Anything on what Domenici said about taxes?

MR. SPEAKES: No, I'm not familiar with the conversation with the Vice President. But we're hopeful that both can move very quickly.

Okay. There are indications this morning that another Soviet official is out there talking about Geneva and what they are doing, or haven't done, or will do. They drew a distinction in a statement between scientific research performed in a laboratory and research directed at space weapons development, which could be verified.

We look at this as -- we are not aware of any change in the Soviet negotiating position at Geneva concerning SDI research. They have consistently said that all research should be banned. This is a serious issue and we would expect that any meaningful alteration in the Soviet position would be made known to us in Geneva. These matters cannot be negotiated in a press conference. The U.S. has made clear, publicly, that SDI research is and will be in strict conformity with the ABM treaty.

We are convinced that, as far as the Soviets have explained to us, their ban on SDI research is firm. The factor that statements of this type continue to find their way into the public media suggests a propaganda motive on the part of the Soviets that so far is unmatched by any concrete proposals from the Soviet side at the arms talks in Geneva.

Stunned with that one? Okay.

South Africa --

Q It has a familiar ring.

Q Are trying to keep us --

Q Would you go back for a second please over unmatched of propaganda by the Soviets?

MR. SPEAKES: The factor suggests a propaganda motive on the part of the Soviets that is unmatched by any concrete proposals from the Soviet side at the arms talks in Geneva.

Q Larry, where did this report come? I missed that.

MR. SPEAKES: The New York Times, right?

MR. DJEREJIAN: Basically Moscow. I mean, reports coming out of Moscow.

Q Disinformation.

MR. SPEAKES: Okay. South Africa.

Q Larry, can we follow up on that one for just a second?

MR. SPEAKES: Sure.

Q The senior administration official who spoke here, and McFarlane, who spoke just before him, indicated that the recent out-of-Geneva talk by the Soviets might be a sign of some flexibility. This sounds as though you are rejecting that as, this isn't flexibility -- it is just propaganda.

MR. SPEAKES: Well, I think we are talking about two different things. One, they were talking about

the repeated Soviet statements concerning the reduction in strategic missiles, the 25 or 30 percent, which they've -- two different statements; this is SDI. We don't see any -- we have not seen any signs of a shift in Soviet position about their outright opposition to SDI research. And whether this distinction that seems to be attempted here -- we've not seen anything to indicate that they're serious about any change in their proposal. At any rate, both sides understand fully that limits on research are unverifiable.

South Africa?

We call on the government of South Africa to act with the greatest restraint at this tense time. It is essential --

Q Can you go slower, please, Larry? "The greatest restraint at this" --

MR. SPEAKES: Tense time. It is essential that the government in Pretoria respect the fundamental rights of all South Africans. The world is watching how that government and the South African police conduct themselves.

The real cause of violence in South Africa is apartheid. A lasting peace will take hold in the townships and throughout the country only when apartheid is dismantled. We are deeply concerned whenever civil liberties are suspended anywhere in the world.

This is certainly the case in South Africa where violence and repression --

Q Can you slower, please? "This is" --

MR. SPEAKES: Certainly the case in South Africa where violence and repression will not solve the country's problems.

We reiterate our call for serious talks between the South African government and black leaders, aimed at establishing a just society in South Africa and giving blacks political rights in that country.

We want the state of emergency removed. We will, however, maintain our policy of constructive engagement with the South Africans. If there is no voice

of reason talking with South Africa, it could lead to a result that no one wants.

Q Can you repeat that? Would you do it with punctuation this time?

MR. SPEAKES: Pardon?

Q Could you repeat that last --

MR. SPEAKES: If there is no voice of reason talking with South Africa, it could lead to a result that no one wants.

Q Talking with South Africa?

Q This is the policy statement --

Q We don't talk --

Q -- decided on at an NSC meeting today?

MR. SPEAKES: No.

Q Who's statement is it?

MR. SPEAKES: Mine.

MR. SPEAKES: Now, the pending resolution in the United Nations or that is being worked on in the United Nations and discussed there -- the French resolution -- it's too early to comment because it has not been finalized, but our views on mandatory sanctions are well known. We believe that to isolate South Africa economically and politically, could lead to more bloodshed. Economic sanctions could do harm -- or would do harm -- to the very people that we are trying to help.

Q What is it that made the United States toughen up its position on this in terms of lifting the -- what you wouldn't answer earlier?

MR. SPEAKES: To lifting it? Well I think the continuing violence and bloodshed there that has not abated and it's clear that this is not bringing about the type of results that we want or we would assume that the South African government wants.

Q Larry, what do you mean by a result no one wants? Do you mean in terms of violence, or in terms of policy?

MR. SPEAKES: Could be both.

Q Well, -- are we warning then that we may change our policy of constructive engagement --

MR. SPEAKES: No. What we're saying is that we will maintain our policy of constructive engagement so that we can continue to attempt to have influence on the government of South Africa.

Q But if there is no voice of reason, I mean, is that a follow up to the previous sentence?

MR. SPEAKES: We are -- we believe that we can provide a voice of reason and influence on the South African government, and that's why we think it's important that we maintain our contacts.

Q You say that you're going to maintain the U.S. policy of constructive engagement. Any comments to Tutu's comments yesterday that our policy was basically immoral?

MR. SPEAKES: No. We haven't addressed those things and we won't.

Q If I may follow up on that, he also wanted to ask why we were the -- we applied sanctions to Nicaragua and, obviously, hurt people who favor our position, including Democrats in Nicaragua. Why are we so unwilling to do it in South Africa?

MR. SPEAKES: We don't make a comparison between the two situations.

Leslie?

Q I wanted to ask, if making these tough statements isn't contradictory with the policy of constructive engagement?

MR. SPEAKES: No. Constructive engagement does not necessarily mean quiet diplomacy. We have worked quiet diplomacy

when it's appropriate and we have voiced it publicly. Constructive engagement can certainly encompass both.

Q Well, can you then -- I'm sorry to ask you to do this because you're going to say go read it in the past -- but can you redefine, for me, anyway, constructive engagement, because I thought it was exactly quiet diplomacy?

MR. SPEAKES: Constructive engagement -- no -- constructive engagement and quiet diplomacy are not necessarily different things. Constructive engagement means maintaining close contacts with the South African government so that we can have an opportunity to bring our influence to bear on the situation there.

Mike?

Q Does that mean --

Q If the --

Q -- in close contacts with the opposition as well?

MR. SPEAKES: I think in the past there have been contacts between the United States and the opposition.

Q Would it be wrong to say that we then have abandoned our policy of quiet diplomacy?

MR. SPEAKES: No. We have always, repeatedly spoken out publicly and privately on the situation in South Africa. So quiet diplomacy --

Q So we never had a policy?

MR. SPEAKES: -- has been used more effectively, for instance, in the case early on in South Korea, in the case of Soviet -- immigration of Soviet Jews. Things like that is where we practice more quiet diplomacy and less public statements. This is a different situation.

Mike?

Q If the United States was concerned, Larry, about the removal of civil rights, of civil liberties in South Africa, why did you wait almost a full week to come out against the state of emergency?

MR. SPEAKES: Mike, we have repeatedly made statements that we would hope that the South African government would be able to put the state of emergency behind them and move forward into a meaningful dialogue.

Q So it didn't work.

MR. SPEAKES: As I say, the reason we made the statement is the continuing violence.

Q Did the President approve of this?

MR. SPEAKES: Yes, the President --

Q What is the administration doing, except for making statements, to try to get them to lift the state of emergency?

MR. SPEAKES: We have had continuing diplomatic contacts and made our views known, both privately and publicly, to the South African government.

Q Is there -- are we applying any pressure?

MR. SPEAKES: I don't know what you would mean by pressure. We're not applying any economic sanctions. We continue to oppose those, as I stated.

Q Are we threatening them in any way or trying in any way to push them other than saying we ought to do it?

MR. SPEAKES: We've said what we said publicly and we continue our private discussions.

Q I mean, for instance, are we saying to them, look, there's a real move afoot on Capitol Hill and we may be able to resist it only so long?

MR. SPEAKES: I just don't think I would go into the specifics on what we're telling them privately.

Q Do you no longer believe that the state of emergency was required to put down violence but now instead is another manifestation of oppression?

MR. SPEAKES: I'm not going to answer a question like that, Ira, because I don't think it would serve any purpose in doing so. I've laid out very explicitly our views on it and we'll stand there.

Q As I understand it, you haven't before called for an end to the state of emergency.

MR. SPEAKES: Not in these terms, but we've said we would hope that they would put the state of emergency behind them and move forward.

Q After a week having seen that it hasn't worked, has the administration's view of the motive of that state of emergency changed?

MR. SPEAKES: That is the same question you asked earlier, which I declined to answer.

Q Well, I asked it nicer this time.

MR. SPEAKES: David, and then Drake.

Q Did the President -- can you tell us a little bit about how this statement came to be? Did the President approve it today? Did he meet with foreign policy advisors yesterday or today to draft it?

MR. SPEAKES: Really not going to discuss our internal meetings regarding South Africa. But this is a matter that has been discussed in detail at the National Security Council level and it has been discussed in the State Department over the last several days. As we indicated, we are following the situation closely and, you know, the President has been briefed on it and our views that we have stated here are certainly approved by him.

Q Well, how about telling us what the President did today in terms of --

Q But you are saying he didn't approve this specifically -- that generally these are his views, but that he didn't approve this statement.

MR. SPEAKES: These are the views of the administration and I am absolutely certain that if the President were asked that same question, he would use almost the identical words.

Q Was Mrs. Thatcher in touch with the President? She was absolutely against this business because she thought it would hurt the people they are trying to help over there?

MR. SPEAKES: She has not talked to the President, but the way you state her reactions sounds very similar to the President's.

Q Larry, is the President prepared to send an envoy to meet the South Africans in Europe or somewhere else in order to put this --

MR. SPEAKES: At the moment there is no meeting scheduled between the South African government and the United States government on this specific matter, although we have had contacts at various levels and will have them in the future. A meeting of the type that has been described in the press is not scheduled, but it certainly remains an option.

Q Larry, on our opposition to the sanctions, is our opposition to the sanctions broad-brush and include even more limited measures -- measures that might be more limited than the kind talked about, for instance, in the Hill legislation?

MR. SPEAKES: That is -- I specifically addressed mandatory sanctions in this case, and any variations of it, I think, would be premature for me to address until we see the specifics of it.

Q What are the mandatory sanctions, Larry? By the Hill?

MR. SPEAKES: Either by the Hill or by the United Nations.

Q Did the subject come up at the National Security Council meeting this morning?

MR. SPEAKES: Don't discuss National Security Council meetings.

Q Larry, the escalation in the administration's rhetoric about this has escalated gradually through the week. Is this just based on events, or have, through diplomatic channels, has the administration received the wrong answers to something it has been asking?

MR. SPEAKES: Nelson, I really don't want to go into what we might have discussed diplomatically. We -- our statements -- you may assume that our statements in public are the same as those that we have made in private.

So, Drake, and then I will move --

Q On your answer on the mandatory sanctions, did you mean then that we have opened -- that things are to be interpreted as sanctions that you -- that would be all right with you if it was not something set in the period of law that you could do administratively, that you could -- at your own judgment put on for a temporary period of time?

MR. SPEAKES: I just cannot address anything that is hypothetical. So --

Q I'm a little confused. What are mandatory sanctions? Maybe I just don't know the term.

MR. SPEAKES: Mandatory sanctions would be those which are mandatory, those are imposed upon U.S. businesses, I guess, by law or that would be imposed upon a country by law, that we would have to conform with some sort of a no-trade policy or whatever.

Q But, I mean, are there sanctions that aren't mandatory?

MR. SPEAKES: They'd be voluntary sanctions. I guess that would be the distinction.

Q By one company?

Q Are you in favor of voluntary sanctions?

MR. SPEAKES: Pardon?

Q Are we in favor of voluntary sanctions?

MR. SPEAKES: Well, once again, we are not discussing hypotheticals. We were discussing the potential of mandatory sanctions in a UN resolution. And, of course, we have stated our position in opposition to the mandatory sanctions that are required in pending Congressional legislation.

Q Can I follow up just very quickly?

MR. SPEAKES: Okay, and then I --

Q If U.S. companies were to organize any sort of voluntary sanctions, would the administration oppose them? Number one. And, two, how bad -- if today's statement was in reaction to the continuing bloodshed, how bad would the violence have to get in order for the United States to do something more drastic, such as agree to mandatory sanctions?

MR. SPEAKES: Both those questions are too hypothetical for me to deal with.

Owen?

Q On the question of a meeting, I think people at the State Department -- I believe Armacost was interviewed on one of the talk shows today, suggested that a meeting was likely, although it hadn't been scheduled.

MR. SPEAKES: No, his words were that they were -- Armacost's words were exactly what I just said a few minutes ago, that there have been meetings at various levels, and there will be meetings in the future. But as far as any specific meeting planned, there is none. We don't have a recommendation at the White House yet, and the President has not approved any meetings.

Q -- meetings in the future --

MR. SPEAKES: Oh -- diplomatic-level meetings, different levels. So --

Q As opposed to a high-level meeting you mean?

MR. SPEAKES: Well, I can't say what we'll do in the future. Meetings remain -- with the South Africans at various levels -- remain an option. So --

Gilbert?

Q Larry, after the voice of reason in South Africa

returns, is this an implicit trend to review the constructive engagement policy?

MR. SPEAKES: No. We are reviewing the situation, but I do not contemplate a wholesale change in United States policy.

Johanna?

Q The Black Congressional Caucus has requested a meeting with Reagan for next week on this issue. Does the President think it would be useful to meet with --

MR. SPEAKES: I have not seen their request, so I can't specifically comment on it.

Q -- request.

MR. SPEAKES: What?

Q The question was: Does the President think it would be useful to meet with the Black Congressional --

MR. SPEAKES: Well, I think we would have to know a little bit more about the meeting. We have continuing Congressional contacts with the Black Caucus, with other caucuses there, and with those who have strong views on South Africa. And we will continue those contacts. But whether a meeting with the President is something that's necessary, the President is thoroughly familiar with the situation, and you can be assured that the various individuals at the highest levels of government are giving it their attention.

Frank --

Q Well, I was going to ask: I understand your opposition to apartheid, but what is it precisely that the administration does want? Do you want majority rule in South Africa?

MR. SPEAKES: We want to move toward a dialogue between the South African government and opposition there that would lead to the basic rights for all individuals within the country.

Q Is that majority rule?

MR. SPEAKES: You can draw your conclusions. So --

Q Larry, if you've had a policy of constructive engagement for about five years and the situation is getting worse there, why not throw that policy overboard and shift --

MR. SPEAKES: We don't maintain that -- we don't accept your conclusion that the situation has gotten worse. Surely, there have been outbreaks of violence that have been -- have captured world attention. But the South African government has made dramatic moves in the right direction. Much more is needed, obviously, but we think they have moved forward.

Q Can you find any black South African leader who thinks those moves are anything but superficial and public relations moves? I mean, can you quote me one or tell me one?

MR. SPEAKES: I think a number of people in South Africa think that the government is moving in the right direction.

Q Outside the government?

MR. SPEAKES: I would assume yes, but I haven't --

Q Well, I'd sure like to find one --

MR. SPEAKES: -- been there and taken a poll.

Q -- because we have hard time finding them.

MR. SPEAKES: Yes, well.

Q Larry, did you mean to leave the impression that the private diplomatic contacts are basically the same that you're -- that you are giving us publicly?

MR. SPEAKES: Exactly.

Q And there's nothing harsher in the private -- or more firm?

MR. SPEAKES: No. But this is firm in my opinion.

So -- Paul?

Q You explained the mandatory sanctions very well. I wasn't sure about the voluntary sanctions, though.

MR. SPEAKES: I don't know of any voluntary sanctions that are being contemplated. That seems to be hypothetical.

Q -- at the government level or at the private level, or both?

MR. SPEAKES: It -- government level. If the government takes action to impose sanctions, as we did in Nicaragua, that's somewhat mandatory. But there have been resolutions that could be adopted by either the U.N. or the Congress that would call for voluntary sanctions.

Q But not -- government? Not at the government level, at the public level?

MR. SPEAKES: On businesses. But the sanctions apply to businesses, whether government-imposed or imposed by non-binding Congressional resolution. One could be the other.

John?

Q You said that the statement reflects the President's views. I didn't catch whether or not the President personally approved this statement.

MR. SPEAKES: He has not seen these actual words, but these reflect totally his views and reflect the policy of the United States government.

So -- Bob?

Q Is there a time frame associated with the administration's insistence that the emergency powers be dropped?

MR. SPEAKES: We would hope that this could be done expeditiously.

Q I know -- but does the administration have a time frame in mind?

MR. SPEAKES: I don't think we've set any deadlines, no. Yes, ma'am?

Q Has the President in the past, recently, or does he plan to in the future, speak with President Botha? Has he ever spoken with him, and has he spoken with him recently?

MR. SPEAKES: Yes. I -- he has not spoken with him recently. I do not know whether the two have spoken or not. Has Botha been here? I don't think so, either.

So -- Leo?

Q Larry, -- for constructive engagement of this to preserve this panel of influence for us bring to bear on the South African government, but can you point to any slightest positive response from Pretoria since they imposed the state of emergency to the daily public and private pleas, requests from Washington --

MR. SPEAKES: Leo, as I indicated, that is no reason for us to break off this attempt to deal with the government of South Africa and have an influence.

Q But has there been anything? You know, you've been on the public podium every day since the state of emergency. You tell us our diplomats are --

MR. SPEAKES: I'm not talking about diplomatic exchanges and the public

record is there for you to see as well as I can see.

Q But do you see anything from South Africa in response to our request?

MR. SPEAKES: I would leave that for you to determine.

Q No, but has there been any -- Have you seen anything?

MR. SPEAKES: As I indicated, that the private discussions will remain private. And in diplomatic channels, the public record is there, and we have made our statements and we will continue to make our statements. But --

Q You have escalated the statements. And the point is, has there been any -- have they heeded your word at all.

MR. SPEAKES: As I say, private will remain private. Public is there for you to see as well as I do.

Steve.

Q Larry, I just would like to know what -- as long as we're ruling out sanctions, and the administration has for five years, what leverage -- outside of moral suasion -- does this government have with the South African government? Our biggest weapon, we've already said we won't use.

MR. SPEAKES: As I indicated, that our policy has resulted in the South African government making moves both within the country and on a region basis that have been a dramatic change in their policy. We think more is needed. We think more is needed on an expedited basis, in view of the situation now. But I think the important thing is to stop the violence, have the state of emergency and move quickly to a meaningful dialogue between the government and the opposition there in order to work out some plan for the future that would promote a peaceful resolution of the problems.

Mike.

Q Two questions. First, did the President chair a meeting of the National Security Council this morning?

MR. SPEAKES: The National Security Council did meet this morning and the President participated as its Chairman.

Schuster.

Q You were saying that if South Africa doesn't listen to the voice of reason that it could lead to some result that no one wants. What are you talking about? The replacement of a moderate black leader with the militants or what are you referring to?

MR. SPEAKES: No, what I'm indicating is that the position for the argument we're putting forward as -- in support of our continuing policy of constructive engagement is that there needs to be a voice of reason dealing with the South Africans and we believe that we can be that voice of reason. If we were to abandon our responsibilities in the world arena in a situation like this, then I think we would have to share the blame for what follows. We will not abandon our responsibilities. We believe that we have a moral responsibility to continue this constructive engagement with the South Africans so that we might have influence if we --

Q You don't --

MR. SPEAKES: Pardon?

Q You don't in your mind -- or the administration

doesn't -- some results they're referring to that, in particular the result from the U.S. pulling out?

MR. SPEAKES: Say again?

Q You don't have anything in mind -- you aren't talking specifics about the results you said that nobody would want? What --

MR. SPEAKES: No. What I'm indicating --

Q You were saying if the United States pulls out, that's --

MR. SPEAKES: That's right. It would -- that -- our influence would no longer be felt. And the end result could be something that we don't -- none of us want, nobody in the world wants.

Q In terms of blame, you said, we'd be blamed. I mean, the world public opinion is blaming us already for, you know, being --

MR. SPEAKES: I think some are, and some have an understanding. I think there is a lack of understanding in the United States and on a worldwide basis of what our policy is and what it's brought. Particularly when you look at the concessions that the South African government has made on a regional basis in their relationships with other countries.

Q Can you tick those off?

Q Yes.

MR. SPEAKES: Ed, you want to fill in Namibia?

MR. DJEREJIAN: In terms of the questions like Lesley's asking that a constructive engagement is a multi-faceted policy. One is public diplomacy. Two is private diplomacy. Three is what the United States is doing bilaterally in South Africa, in terms of educating blacks. We have about \$15 million worth of funds that we've put into South Africa to educate blacks. Fourth element of the program is the U.S. corporate presence in South Africa. There's over \$100 million of U.S. corporate funds that have educated blacks in the labor market. And the fifth element which Larry mentioned is what we're doing diplomatically in southern Africa in which the South African government has worked with us in seeking a regional settlement to the problems in Angola, the Lusaka Accord, in Mozambique, the Nkomati Accords and in terms of the withdrawal of Cuban troops from Angola and the overall terms of getting a Namibia independence settlement.

So if you look at all of that complex, there has been movement. And when a question says, "Well, what has this policy brought?" Well, you could see these are elements of relative progress. As Larry mentioned, you know, we want to see more.

Q Well, what are the main accomplishments by -- that the -- the concessions we've gotten from the South Africa within their own government, within their own country, as a result of constructive engagement?

MR. DJEREJIAN: Well, quite frankly, we have a list that we can make available to you of specific steps that have been taken within the government. One is the Parliament being open to -- on a multi-racial basis. For the first time -- that has been criticized by many as not being enough -- but it's the first time the South African government has broken away from total white supremacy in Parliament. You have --

Q But no blacks --

MR. DJEREJIAN: -- colored.

Q -- right?

MR. DJEREJIAN: Right, but you have colored. It's a step in the right direction.

Q And most of them didn't vote for it because they thought it was phony.

MR. DJEREJIAN: Understood. But it is a step in the right direction. And there's much that's been done in the labor market in terms of black rights in the labor market and trade unions.

We have a list that we can make available.

Q 'Yes, I'd like that.

MR. DJEREJIAN: We are not --

Q Yes, would you make it available?

MR. DJEREJIAN: We are not -- we are not -- we are not proponents of the South African government's position. That is not our point. What we're saying is that in response to your questions, there are examples. And we'll make them available.

Q Well, can I -- for one second?

MR. SPEAKES: You may.

Q In the interests of U.S. policy, which, obviously, is to maintain friendships around the world, you're talking about a nation of 24 million people, 6 million of whom are white. All the evidence is, as I read it, that the black population of that country is getting angrier and angrier and more and more detached and upset with the United States because of constructive engagement. So, in the long run, are we helping ourselves?

MR. SPEAKES: Well, in the short run, if we were to isolate South Africa, both politically and economically, would it serve those that we wish to help? No, in our position it would not.

Q Well, according to many of them --

MR. SPEAKES: What is your view that would happen if the United States and other countries withdrew economic aid to South Africa, and political recognition? What would happen there?

Q Well, I have a personal view, but, I mean, I don't think you want to know it. The point -- Bishop Tutu's view is -- and many black leaders' view is there -- that it would be a good thing if we did disengage.

MR. SPEAKES: That's not our view.

Bob. We've gone a long way on this thing. Let's see if there's anything else

quickly because I'm going to have lunch.

Q How's the President's health?

Q Larry, do you mean to suggest that the South African government was making progress or was disposed to make progress up until the time that it declared the state of emergency?

MR. SPEAKES: No. There's progress been made and we believe there is a disposition on the part of the South African government to make progress. The state of emergency and the violence is something that we would hope would end shortly and that they could get onto some meaningful dialogue that would result in further progress. The violence has put a halt on a chance for progress because that seems to be all that's going on at the moment.

Q Are you saying then that that state of emergency and the violence which followed is sort of like the demarcation line when it comes to progress?

MR. SPEAKES: No. What I'm saying is that there are certain things put into effect, as Ed has enumerated to a great extent there, that have brought change and will continue to bring change. But I think it's important that this state of emergency and this violence end so that they can proceed with this.

Q Was the National Security Council meeting held in the Sit Room or over in the Residence?

MR. SPEAKES: I believe it was in the Residence. It was scheduled in the Residence.

MR. DJEREJIAN: It was the Residence.

Q Do you know what room in the Residence?

MR. SPEAKES: No.

Q And would it be fair to assume that South Africa came up at that meeting?

MR. SPEAKES: I just wouldn't make any statement on it, keep with our policy.

Q Do we have, or do you have any reason to believe, either through private channels or otherwise, that South Africa's going to respond to your asking them to lift the state of emergency?

MR. SPEAKES: I think it remains to be seen.

So, Mark, and then --

Q Why were you reluctant a moment ago to say flat-out, yes, that we favor majority rules in South Africa?

MR. SPEAKES: I think what we favor is an opportunity for everyone to have their civil rights, and the results will be evident there.

Q So you --

Q Larry, the President's made a few appearances recently, looking fit and the rest of it. Is it surprising that his closest foreign political ally has been in the White House this morning and not seen him?

MR. SPEAKES: No. I think the President had been scheduled to participate in this session and didn't for obvious reasons. And the Vice President did meet with the group here this morning.

Q Could you give us the President's date and his health report?

MR. SPEAKES: His date?

Q I mean, what he did today.

MR. SPEAKES: 9:30 a.m. with the Vice President and Don Regan; at 9:50 a.m. with Bud McFarlane; at 11:00 a.m. -- or was it --

Q McFarlane and the others or just McFarlane by himself?

MR. SPEAKES: I don't know whether Bud brought anybody with him this morning for that or not. Then shortly after that -- I don't have my schedule here -- at 10:00 a.m., he chaired a National Security Council meeting for an hour and then you saw him leave for Camp David at 1:00 p.m.

The President's feeling well today, continues to make progress. He's surprised, pleased with the amount of improvement that takes place daily and he's returning to being as fit as he ever was.

Q Do you have the week ahead?

Q Did Regan meet with any Senate Finance Committee members this morning -- or the President?

MR. SPEAKES: Yes. I don't know who it was. There were some Senators in here for a breakfast to talk tax reform this morning.

Q What does next week look like?

MR. SPEAKES: Don't have the week ahead. We will just do it on a daily basis.

Q Larry, can you tell us whether --

Q Did the President see Moyer's Journal last night?

MR. SPEAKES: The what?

Q The Moyer's Journal was wonderful last night.
(Laughter.) And on The Sudan. It is a very important thing.

Q Did he watch Magnum, PI last night? (Laughter.)

Q Larry, can you tell us --

Q How often was the President seen by one of his doctors this week, and what is --

MR. SPEAKES: I don't know. I am sure Dr. Smith saw him at least once, if not more than that. I don't know whether any of the fellows have been in from the surgical team at Bethesda.

Q Larry, budget guidance? You said you had something on the budget?

MR. SPEAKES: Budget guidance is basically, we have been in touch yesterday, as you know, with the Senate Budget Chairman and some of the conferees. The Senate has made a presentation to the House. The House has not responded. We would like to see the House response to the Senate proposal. We are certainly willing to meet with a bipartisan leadership group at such time as they come up with some sort of agreement on a proposal. We will continue not to comment specifically on various parts of it.

Q Well, they say that they don't want to -- the House Democrats say that they don't want to respond until they are sure that the -- all the Republicans are on-line and that they want to make sure that the President isn't going to veto what the Senate Republicans are offering.

MR. SPEAKES: I think the Republicans have had a caucus. Their conferees have met. They have proposed this to the House, and I think that it is now time for the House to consider and respond to it.

Q So you are not -- if I could just follow up -- so that the President, through you, is not going to respond until the House does?

MR. SPEAKES: We would like to see some response from the House, and we would like to, at this same time, indicate that once there is some sort of an agreement on Capitol Hill that we would be prepared to sit down with a bipartisan leadership group and discuss the President's views on it.

Q Is this a game of chicken?

Q Squawk!

MR. SPEAKES: I don't call it that.

Q Larry, aside from new taxes in the budget plan, is there anything else that is off the table, such as oil fees?

MR. SPEAKES: Once again, I am not commenting on specifics.

Lunchtime.

Q Do you have any reaction to the -- agreement on Contra aid?

MR. SPEAKES: Don't know that there has been an agreement on Contra aid.

Q Tip O'Neill said today that he doesn't think a White House meeting is necessary with the President because he said the President is inflexible and has set out his views of no room for movement on taxes and Social Security. Is that true or does the President have an open mind on it --

MR. SPEAKES: We could sit down and talk. It is, you know, appropriate that there be discussions on it and, you know, we are ready once that there is some sort of jelling of the position on the Hill.

Q What about the story about the midyear economic forecast?

MR. SPEAKES: Study about the midyear economic forecast? We will probably release the midyear economic forecast, as it stands now, next week.

Q Well, the story --

MR. SPEAKES: I wouldn't steer you off of the numbers that you have seen, no. They are fine.

Okay.

THE PRESS: Thank you.

END

1:48 P.M. EDT