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President's News Conference on Foreign and Domestic Issues

Following is a transcript of President Reagan's news conference last night in Washington, as recorded by The New York Times:

OPENING STATEMENT

We have an important visitor in Washington, José Napoleón Duarte, the President-elect of El Salvador. The President-elect and I yesterday issued a joint statement in which we agreed on three major objectives for Central America: the strengthening of democratic institutions, the improvement of living standards, and increased levels of U.S. security assistance to defend against violence from both the extreme left and the ex-treme right.

The election of José Napoleón Duarte is the latest chapter in a trend toward democracy throughout Latin America. In Central America, El Salvador now joins Costa Rica and Hon-duras in having a democratically

elected Government.

Democracy in Central America is a fundamental goal of our policy in that region, but continued progress toward that goal requires our assistance. Most of our aid, three-quarters a of it, is economic assistance. But se-" curity assistance is essential to help "all those who must protect themselves against the expanding export of subversion by the Soviet bloc, Cuba and Nicaragua

Also, as I said in my speech to the Ination on May 9, we must support the Edemocratic aspirations of the people of Nicaragua and oppose the Sandinlista aggression against their neighbors, and who seek genuinely democratic elections in Nicaragua as the "Sandinistas promised the O.A.S. in 1979. Peace can only be achieved in Central America if the forces of democracy are strong

Historic Decisions Ahead

We strongly support multilateral nefforts towards peace, especially the Contadora process. However, no lasting peace settlement through the Contadora process can be achieved unless there is simultaneous implementation of all the Contadora objectives,

including genuinely democratic elections in Nicaragua.

The freedom fighters in Nicaragua have promised to lay down their arms and to participate in genuinely democratic elections if the Sandinistas will permit them. Our Congress faces some historic decisions this week. Those who struggle for freedom everywhere are watching to see whether America can still be counted upon to support its own ideals. The people of El Salvador are watching, the freedom fighters of Nicaragua are watching, Nicaragua's threat-ened neighbors are watching and the enemies of freedom are watching as

Our balanced policy can succeed if the Congress provides the resources for all elements of that policy as outlined in the bipartisan recommendations of the Kissinger Commission. But if the Congress offers too little support it will be worse than doing nothing at all. The success of Communism in Central America poses the threat that 100 million people from Panama to the open border on our south could come under the control of pro-Soviet regimes. We could face a massive exodus of refugees to the United States.

The Congress has the opportunity to reaffirm our commitment to brave people risking their lives for the cause of liberty and democracy in Central America. The Congress also has the opportunity to reaffirm our bipartisan tradition, which will tell the world that we're united when our vital interests are at stake.

I'm asking the members of the Congress to make that commitment.

And now, tonight's first question will be from Maureen Santini — and, incidentally, this is a double first for Maureen. Her first first question in her new role as the A.P.'s chief White House correspondent. Maureen?

QUESTIONS AND ANSWERS

Saudi Response

Q. Mr. President, it's been reported that you are willing to provide U.S. air power to keep oil tankers moving through the Persian Gulf. Could you Tell us what the Saudi response has been to your proposals and under what circumstances the United States could become militarily involved in that region.

A. Well, Maureen, I've seen all the stories, and a lot are based on speculation already. No, the - what we have — we have kept in touch and are keeping in touch with the Gulf states and with our own allies. But we have fiot volunteered to intervene, nor have we been asked to intervene.

And we've communicated with them regarding that, and so far it seems as if the Gulf states want to take care of this themselves. They're concerned — as I think we all should be - about not enlarging the war. Q. Do we have a contingency plan

for doing so if they can't take care of It themselves?

A. We'll — if they ask us for help, we have, obviously we've thought in terms of what we might do. But I don't think that's something I should talk about. Helen.

U.S.-Soviet Relations

Q. Mr. President, Senator Byrd says that our relations with the Soviet Union have reached the lowest point in 20 years. Did you misjudge the Russians? Are your hard-line policies responsible for the boycott of the Olympics, the breakup, the breakoff of the arms negotiations, the steppedup offensive in Afghanistan, more missiles off our coast?

A. No, Helen, I don't think I'm reponsible for any of those things and Lif these are the lowest, at the lowest Fistate that we've had for 20 years not too long ago, a matter of days ago, I. gave to George Shultz one of our

very eminent national news magazines for him to see an article on this hery subject. And the article - it was an April issue - and the article cited

Continued

that we had the lowest relations we'd ever had, and the President was to shame for that in his vaciliations and itso forth and so on. Except that it was had had been as a sure that it was had a sout our relations with Russia.

And I have to say that today, no, we didn't walk away from the negotiating table. We made every effort to prove that we were ready to be flexible in trying to negotiate a reduction of weapons. And as for the Olympics, the only thing as a Government that we did in the Olympics was assure them and meet virtually every request they made in regard to their people there of, into, up to allowing their cruise ship to anchor, and we were going to spend about a half a exhibitor of that

c whip.

C. Will you admit there's a heightened belligerency and six eminent
world leaders today said that we're
likeaded for global suicide? What are
liyou going to do about it with this arms
lirace?

n -A. I don't think we are and I don't bthink we're any closer, or as close as same might have been in the past to a possible conflict or confrontation that could lead to a nuclear conflagration. ni. think the very fact that we're estronger - yes the Soviet Union is unhappy. They're unhappy because for othe first time in a couple of decades swe are preserving our security abil-ty. We're building up our military and we're not unilaterally disarming while they continue their massive rarms buildup. And I'm sure this makes them a little unhappy about that, that things aren't as easy as they once were. But when they're ready to come back to the table it probably - or might not be until after the election, I don't know, but I think that the world maybe is a little safer than it has been in the past.

Middle East Conflict

Q. Mr. President, on the Persian Gulf again, is it true that you have written to the Saudis saying that should they ask the United States for aid, that we are willing to supply air cover to protect the oil fields?

A. We didn't specify what we would do, but we have told them, because I made a statement earlier that neither we nor the Western world as such would stand by and see the Straits of the Persian Gulf closed to international traffic.

Q. Mr. President, then in your judgment, what is the likelihood of American servicemen being involved in some kind of shooting war, shortly or in the near future in the Middle East?

in the near future in the Middle East?

A. I think very slight. I can't foresee that happening.

Q. You cannot foresee that happening?

A. As things stand now, no, I don't think so.

Central America

Q. Mr. President, you've said America's vital interests are at stake in Central America. What will we have to do if the Congress does deny that security assistance to stop this threat, the threat of Soviet-sponsored regimes taking over all of the countries right up to our Southern borders?

A. What do we have to do, to —
Q. Well suppose the Congress does
not vote the money that you need for
the freedom fighters, as you call
them, what then would we be required to do to prevent this scenario

from developing?

A. We'd be in a very difficult position and so would they. But, I have great hopes that after President Duarte's visit here, and meeting with as many of the Congress as he did, that there's some reason for optimism.

A. Yes, Andrea.

Bypassing Congress

Q. Mr. President, there were reports that the Administration had gone around Congress and continued to increase military and intelligence activities in Central America by channeling money through accounting tactics — tricks of accounting — through the Pentagon to the C.I.A. While you can't discuss covert activities, can you at least assure the American people that you have not had this Administration go beyond the will of Congress in increasing the spending for military activities in Central America.

A. Andrea, we've thought of no procedures that are any different from what has been done in past Administrations, nor have we done anything without the knowledge of the

Congress.

Q. But can you explain then, sir, we were told Congress was told about a month ago that if Congress didn't appropriate the money the C.I.A.-supported Contras would run out of money by now. Now Congress has been told that the C.I.A. has enough money to get through the rest of the summer. How is that possible without their getting secret funds?

A. Well, unless they guessed wrong on the first date, but I thought that they were closer to being out of money than they apparently are, but I don't think any — well, nothing of that kind could take place that — without the knowledge of Congress.

Troops to El Salvador

Q. Mr. President, you've said in the past that you have no intention of sending U.S. troops into the combat in El Salvador and President-elect Duarte said yesterday that he has no intention of asking for U.S. troops to go there. But despite these denials, the doubts linger. Walter Mondale insists that your policy will lead to U.S. involvement down there. Can you say unequivocally tonight that you would not send troops down to El Salvador even if it appears that without them, El Salvador might fall to the Communists?

A. First of all, President Duarte made it very plain that they would never request American troops. We have never had any consideration of doing that or any thought of doing that at all. I don't know how I can convince anyone, but all you'd have to do is look at all our friends and neighbors in Latin America and probably as a holdover from the past, we'd lose all those friends and neighbors, if we did that. They want our help. They know they have to have our help economically and in the manner in which we're giving it, in military support, by training and supplies and equipment and so forth. But they don't want American manpower there.

Sarah

Q. Excuse me. If I may follow up with this, if El Salvador clearly were going to fall to the Communists, would you feel it's in the U.S. interest to send our troops in there and stop that, or would you allow the country to go Communist?

A. Well, you're asking me for a hypothetical question and one in which I think that I would be very foolish to

try and answer.

EXCERPTED