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TELEGRAM NUMBER 3036 OF 19 OCTOBER

PRESIDENT REAGAN'S PRESS CONFERENCE, : THE U S ECONOMY.

PRESIDENT REAGAN GAVE ONE OF HIS REGULAR TELEVISED PRESS CONFERENCES ON 19 OCTOBER. HE BEGAN WITH A STATEMENT IN WHICH HE SAID THAT, 1000 DAYS INTO HIS ADMINISTRATION A STRONG RECOVERY WAS UNDER WAY. INTEREST RATES AND INFLATION WERE DOWN: 400,000 NEW JOBS HAD BEEN FOUND LAST MONTH, AND MOST INDUSTRIAL SECTORS WERE NOW EXPANDING. THE KEY TO CONSOLIDATING THIS SUCCESS WAS KEEPING TAXES DOWN AND REDUCING GOVERNMENT EXPENDITURE, AND HE APPEALED TO CONGRESS TO COOPERATE IN ACHIEVING THIS DURING THE REMAINING WEEKS OF THE SESSION. IN REPLY TO A QUESTION ABOUT FALTERING INDICATORS IN THE HOUSING INDUSTRY, HE DENIED THAT HIGH INTEREST RATES WERE TO BLAME. THE LATEST FIGURES QUOTED, IF CONFIRMED, WERE PROBABLY AFFECTED BY SEASONAL FACTORS AND BY PEOPLE WAITING IN ANTICIPATION OF A FURTHER DROP IN INTEREST RATES.

2. FOR THE PRESIDENT'S ANSWERS ON ARMS CONTROL, IRAN/IRAQ AND LEBANON, SEE MY 3 IFT'S.

WRIGHT