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FM WASHINGTON 270406Z

TO PRIORITY F C O

TELNO 2115 <sup>SIC</sup> OF 26 JULY 1983,INFO PRIORITY MEXICO CITY, TEGUCIGALPA, SAN JOSE, PANAMA CITY,  
CARACAS, BOGOTA, HAVANA, BONN.

MIPT: PRESIDENT REAGAN'S PRESS CONFERENCE ON CENTRAL AMERICA:

COMMENT:

THOUGH HE HAS SPOKEN ABOUT CENTRAL AMERICA SEVERAL TIMES IN RECENT WEEKS, THIS WAS THE PRESIDENT'S MOST COMPREHENSIVE EXPOSITION OF THE ADMINISTRATIONS'S VIEWS SINCE HIS ADDRESS TO THE JOINT SESSION OF CONGRESS IN APRIL. HE WAS CONFIDENT AND ON GOOD FORM. HIS AIM WAS APPARENTLY TO PUT CURRENT US MILITARY MOVES INTO PERSPECTIVE, CALM APPREHENSIONS THAT THESE WOULD LEAD TO DIRECT MILITARY INTERVENTION, AND MAKE COHERENT PICTURE OUT OF A VARIETY OF RECENT EVENTS (THE TRAVELS OF AMBASSADOR STONE, THE APPOINTMENT OF THE KISSINGER COMMISSION, AND THE AMBIGUOUS RESPONSES TO RECENT STATEMENTS FROM MANAGUA AND THE CONTADORA LEADERS WHICH HAVE SET SECTIONS OF THE PRESS AND CONGRESS WONDERING WHAT THE ADMINISTRATION US UP TO.

2. THIS AIM WILL NOT BE EASY TO ACHIEVE. THE MILITARY MOVES ARE SUBSTANTIAL (TWO CARRIER BATTLE GROUPS, A SERIES OF JOINT EXERCISES WITH THE HONDURANS, AND MILITARY ENGINEERING WORKS IN HONDURAS, ON ALL OF WHICH BDS WASHINGTON ARE REPORTING DIRECT TO MOD). BUT THERE ARE PRECEDENTS, AND THERE IS NO REASON TO DISBELIEVE THE ADMINISTRATION'S ASSURANCES THAT NEITHER A NAVAL BLOCKADE OF NICARAGUA NOR INTERVENTION ON LAND IS INTENDED. THE ADMINISTRATION SEEM TO BE WILLING TO SEE WHAT MIGHT COME OUT OF THE CONTADORA INITIATIVE AND CONTACTS WITH THE SALVADORAN GUERRILLAS. THE MILITARY MOVES HAVE BEEN CRITICISED BY SPEAKER O'NEILL, AND THE HOUSE IS TO VOTE LATER THIS WEEK ON WHETHER "COVERT" ACTION IN NICARAGUA SHOULD BE PERMITTED TO CONTINUE. BUT OPINION IS CONFUSED AS WELL AS CRITICAL. NO ONE WANTS TO TAKE THE BLAME FOR "LOSING" EL SALVADOR. BOTH THE ADMINISTRATION'S POLICIES AND PUBLIC ATTITUDES TO THEM, HAVE YET TO GELL INTO A CLEAR PATTERN.

WRIGHT

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TO PRIORITY F C O

TELNO ~~2012~~<sup>2112</sup> OF 26 JULY 1983,

INFO PRIORITY MEXICO CITY, TEGUCIGALPA, SAN JOSE, PANAMA CITY,  
CARACAS, BOGOTA, HAVANA, BONN.

PRESIDENT REAGAN'S PRESS CONFERENCE ON CENTRAL AMERICA.

1. VIRTUALLY ALL OF PRESIDENT REAGAN'S PRESS CONFERENCE THIS EVENING WAS TAKEN UP WITH CENTRAL AMERICA, AND IN PARTICULAR THE MILITARY MANOEUVRES THAT ARE TO TAKE PLACE IN THE COMING MONTHS.
  
2. IN AN OPENING STATEMENT, REAGAN INSISTED THAT HIS ADMINISTRATION'S POLICIES IN THE REGION WERE MULTI-FACETED, COVERING DEMOCRATIC REFORM, HUMAN FREEDOMS, ECONOMIC DEVELOPMENT AND DIALOGUE. TOO MUCH ATTENTION WAS BEING PAID TO THE MILITARY SHIELD FOR THESE ELEMENTS. FOR EVERY DOLLAR SPENT ON SECURITY ASSISTANCE IN THE REGION, THREE DOLLARS WENT FOR DEVELOPMENT PURPOSES. ON HIS CURRENT TRIP, SENATOR STONE HAD TAKEN WITH HIM PERSONAL MESSAGES FROM REAGAN TO LEADERS OF COUNTRIES IN THE REGION STATING THAT HE WAS HEARTENED BY THE CONTADORA GROUP'S EFFORTS TO REACH A PEACEFUL REGIONAL SOLUTION. HE WAS ALSO ENCOURAGED BY RECENT STATEMENTS FROM NICARAGUA AND CUBA SUGGESTING THAT THEY SAW THE NEED FOR NEGOTIATIONS. IT WAS IMPORTANT THAT THE US BE THE FOREMOST PROTECTOR OF PEACE IN THE REGION. MILITARY EXERCISES HAD TAKEN PLACE THERE SINCE 1965: FAR LARGER EXERCISES HAD TAKEN PLACE IN EUROPE, ASIA AND ELSEWHERE IN LATIN AMERICA. THE ADMINISTRATION WANTED AN END TO THE EXPORT OF REVOLUTION IN THE REGION AND A NEW ERA OF PEACE AND SOCIAL JUSTICE.
  
3. RESPONDING TO QUESTIONS, REAGAN SAID THERE WAS NO COMPARISON WITH VIETNAM. THE ADMINISTRATION HAD NO PLANS FOR MILITARY INTERVENTION (THOUGH, AS PREVIOUSLY, REAGAN WOULD NOT ALLOW HIS QUESTIONERS TO COMMIT HIM NEVER TO USE TROOPS IN THE REGION). HE NOTED THAT A SOVIET FREIGHTER WAS NOW APPROACHING THE NICARAGUAN PORT OF CORINTO CARRYING MILITARY EQUIPMENT AND HELICOPTERS: NO ONE HAD SHOT AT THAT VESSEL.
  
4. ASKED ABOUT REPORTS THAT US TROOPS PARTICIPATING IN THE MANOEUVRES HAD STANDING ORDERS TO RESPOND IF FIRED ON, REAGAN ASSERTED THAT THE MILITARY SHOULD HAVE THE RIGHT TO DEFEND THEMSELVES. HOWEVER, HE DID NOT FORESEE THE MANOEUVRES PUTTING AMERICANS IN PROXIMITY TO THE (NICARAGUAN) BORDER, AND US SHIPS WOULD BE OUTSIDE THE TWELVE MILE LIMIT. HENCE ANY THREAT TO US TROOPS WOULD HAVE TO BE OF A TERRORIST NATURE.

5. ON THE QUESTION OF US PUBLIC SUPPORT FOR A WAR TO DEFEND US INTERESTS IN CENTRAL AMERICA, REAGAN SAID AMERICANS HAD BEEN CONFUSED ABOUT THE ADMINISTRATION'S POLICIES BY "THE CONSTANT (PRESS) DRUMBEAT". AMERICANS WERE PEACEFUL PEOPLE WHO DID NOT WANT WARS. NOR DID THIS ADMINISTRATION WANT WAR, WHICH EISENHOWER HAD DESCRIBED AS MAN'S GREATEST STUPIDITY. BUT THE PEOPLE WHO WANTED PEACE IN THE REGION WERE BEING DENIED IT BY OUTSIDE FORCES.

6. ASKED WHETHER THE ADMINISTRATION WOULD BE PREPARED TO COMMIT SUBSTANTIAL US AID TO THE REGION, EG IN THE FORM OF A MARSHALL PLAN, REAGAN AGREED THAT ECONOMIC DEVELOPMENT WAS NEEDED IN ORDER TO REMOVE THE FERTILE SOIL OF SUBVERSION. THIS WAS AN ASPECT THAT THE KISSINGER COMMISSION WOULD BE FOCUSING ON. BUT IT DID'NT NECESSARILY FOLLOW THAT COUNTRIES OF THE REGION NEEDED A MASSIVE DOLLAR COMMITMENT. MANY WERE TOO HIGH RISK FOR PRIVATE INVESTMENT. ONE OF THE CONCLUSIONS OF WILLIAMSBURG HAD BEEN A DETERMINATION BY THE WESTERN INDUSTRIALISED NATIONS TO FIND WAYS OF HELPING DEVELOPING COUNTRIES.

7. REAGAN REFUSED TO DISCUSS THE ADMINISTRATION'S COVERT AID IN THE REGION, THOUGH HE THOUGHT A CUT-OFF WOULD BE A GRAVE MISTAKE. WHAT THE AMERICANS WERE TRYING TO DO WAS TO PERSUADE THE SANDINISTAS TO RETURN TO THE PRINCIPLES OF THEIR OWN REVOLUTION.

8. REAGAN CLAIMED THAT HE WAS TRYING NOT TO LOOK AT THE REGION PURELY FROM AN EAST/WEST STANDPOINT, AND REFERRED TO US EFFORTS TO BRING THE SALVADORAN GUERRILLAS AND THE PEACE COMMISSION TOGETHER. ASKED ABOUT A POSSIBLE INCREASE IN US TRAINERS IN EL SALVADOR, REAGAN REPLIED THAT NO ONE HAD PRESENTED HIM WITH SUCH A PROPOSAL.

WRIGHT

(REPEATED AS REQUESTED)

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