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P 251147Z JUN 81
FM SECSTATE WASHDC
INFO AMEMBASSY MADRID PRIORITY

UNCLAS STATE 167512

FOLLOWING SAN SALVADOR 4166 H2 JUN SENT ACTION USINFO WASHDC
INFO GUATEMALA, MANAGUA, PANAMA, SAN JOSE , TEGUCIGALPA, SECSTATE
REPEATED TO YOU:

QUTE:

UNCLAS SAN SALVADOR 4166

FOR AR, PGM/RC, PGM/P, PGM/FW, PGM/FN, VOA NEWS/CA
OOSTATE PASS ARA/CEN/ES

E.O. 12065: N/A

SUBJECT: AMBASSADOR HINTON'S PRESS CONFERENCE JUNE 1, 1981

UNCLAS. JUNE 1. --1. FOLLOWING IS THE COMPLETE TEXT OF AMBASS-
ADOR HINTON'S FIRST PRESS CONFERENCE AT U.S. EMBASSY ON
JUNE 1ST.

2. HINTON: I'D LIKE TO SAY A COUPLE OF THINGS IF I CAN, FOR
STARTERS. FIRST OF ALL, I WANTED TO SORT OF MEET YOU, AND I
HOPE TO GET TO KNOW YOU AS WE GO ALONG. SECONDLY, I THINK
SOMEONE HAS A PECULAR DOCUMENT TO PASS OUT. IT'S A TEXT OF
A FORMAL STATEMENT THAT WAS TO HAVE BEEN MADE THIS MORNING TO
PRESIDENT DUARTE AND THE MEMBERS OF THE JUNTA REVOLUCIONARIA;
BUT WE HAD A VERY RELAXED AND INFORMAL SESSION, SO WE DIDN'T
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USE HIS SORT OF FORMAL STUFF. YET YOU MIGHT FIND IT OF
INTEREST.

3. ANYWAY, FOR WHAT IT'S WORTH, YOU CAN HAVE THIS TEXT WHICH
WAS NOT USED.... I EXPECT TO LEARN FROM YOUR QUESTIONS WHAT
CONCERNS THE PRESS. I DON'T KNOW WHETHER YOU'LL LEARN ANY-
THING FROM THE ANSWERS, BUT WE'LL SEE. I'M OPEN TO QUESTIONS.

4. Q. CBS REPORTER: HOW FAR IS THE U.S. EMBASSY GOING TO
PRESS ON THE INVESTIGATIONS OF THE NUNS? HOW FAR ARE WE
WILLING TO GO TO PRESS?

5. A. I THINK, MR. GOMEZ, THAT THE EMBASSY HAS PRESSED
CONSISTENTLY. I THINK YOU KNOW THAT PROGRESS HAS BEEN MADE.
I THINK YOU KNOW THAT THERE IS A JUDICIAL PROCESS UNDERWAY

REVIEW AUTHORITY: Donna M. DiPaolo, Senior Reviewer

IN EL SALVADOR, AND IT'S NOT FOR ME TO COMMENT ON A MATTER THAT IS REALLY BEFORE THE COURTS. I WOULD SAY THIS: THAT I EXPECT TO HAVE GOOD NEWS IN THE NEAR FUTURE FROM THE JUNTA.

6. Q. A FREE-LANCE REPORTER: (QUESTION REGARDING ABUSES OF AUTHORITY AMONG MEMBERS OF SALVADORAN SECURITY FORCES)

7. A. I THINK IT IS WELL KNOWN THAT BOTH THE MEMBERS OF THE JUNTA AND THE AMERICAN GOVERNMENT TAKE A DIM VIEW OF ABUSES BY ANY THE EXTREMES. THERE ARE, UNFORTUNATELY, FROM TIME TO TIME, ABUSES BY THE SECURITY FORCES. THERE'S NO QUESTION ABOUT IT. IT IS REGRETTABLE. I REGRET IT PERSONALLY, THE MEMBERS OF THE JUNTA REGRET IT, THEY MADE IT PERFECTLY CLEAR THAT THIS IS NOT WHAT THEY ARE SEEKING. I AM TOLD THAT THE MINISTER OF DEFENSE--WHOM I HAVE YET TO MEET--BELIEVES THAT THIS IS COUNTERPRODUCTIVE IN TERMS OF MAINTAINING SUPPORT FOR THE GOVERNMENT THAT IS UNDER ATTACK FROM LENINIST PROCES ORDERED BY OUTSIDE GOVERNMENTS.

8. Q. WHAT DO YOU MEAN BY OUTSIDE GOVERNMENTS?

9. THE GOVERNMENT IN CUBA HAS CLEARLY SUPPORTED THE LEFTIST UNCLASSIFIED

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EXTREMISTS HERE. THERE'S NO QUESTION ABOUT IT, IS THERE? IT'S A DIFFICULT, REGRETTABLE SITUATION.

10. Q. WHAT ARE YOU PERSONALLY PREPARED TO DO TO CHANGE THE SITUATION?

1. A. WHAT WILL I PERSONALLY DO? I WILL CONCENTRATE ON WHERE THERE ARE DIRECT AMERICAN CITIZENS INVOLVED. I HAVE VIEWS, AND MEMBERS OF THE JUNTA HAVE VIEWS ABOUT THE CONDUCT OF THE SALVADORAN FORCES VIS-A-VIS THEIR CITIZENS. WE HAVE STANDARDS. THEY SHARE THOSE STANDARDS. I READ IN THE MORNING PAPER A STATEMENT BY COL. GUTIERREZ TALKING ABOUT REPECT FOR HUMAN RIGHTS IN EL SALVADOR. I WELCOME THAT KIND OF STATEMENT.

12. CHRIS DICKEY, THE WASHINGTON POST: ON THIS QUESTION OF THE INVESTIGATION, I UNDERSTAND THAT THERE IS SOME DOUBT IN THE MINDS OF SOME PEOPLE CONNECTED WITH THE INVESTIGATION THAT THE INVESTIGATION OF THE KILLINGS OF THE NUNS WILL BE TAKEN ANY FARTHER THAN TO BRING TO JUSTICE THOSE MEMBERS OF THE SECURITY FORCES WHO MAY HAVE BEEN DIRECTLY INVOLVED. HOWEVER, FORMER AMBASSADOR WHITE AND OTHERS HAVE TALKED ABOUT THE SERIOUS POSSIBILITY THAT THERE WAS A COVER-UP OF A KIND AFTER IT OCCURRED. HOW FAR WOULD YOU PRESS THE SALVADORAN GOVERNMENT (TO INVESTIGATE A COVER-UP BY HIGHER-RANKING OFFICERS).

13. A. WELL, AS I SAID, THE MATTER IS UNDER JUDICIAL REVIEW. I REALLY DON'T WANT TO SAY HOW FAR I'M GOING TO PRESS ABOUT A HYPOTHETICAL QUESTION.

14. Q. BUT IT'S NOT A HYPOTHETICAL QUESTION IN THE SENSE THAT IF THE U.S. IS PRESSING FOR INVESTIGATION, WHICH WE KNOW IT IS, WHAT IS IT THAT THE U.S. WANT INVESTIGATED WITH REGARD TO THE NUNS CASE? SIMPLY THE QUESTION OF WHO DID THE MURDERS, OR WHO TRIED TO COVER-UP FOR THEM?

15. A. THE UNITED STATES WANTS TO SEE JUSTICE DONE, MR. DICKEY.
16. Q. FOR WHOM? I MEAN, IF JUSTICE WERE DONE IN THE WATERGATE CASE, FOR INSTANCE, THE MEN WHO BROKE INTO THE WATERGATE OFFICES WOULD HAVE BEEN CONVICTED AND THAT WOULD HAVE BEEN IT.
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BUT IN FACT, IT WENT MUCH FARTHER THAN THAT. WOULD WE RISK PRESSING FOR A WATERGATE HERE?

17. A. MR. DICKEY, IF I WERE A WISER FELLOW I'D STAND ON WHAT I SAID EARLIER AND NOT TALK ABOUT SOMETHING THAT IS UNDER JUDICIAL INVESTIGATION. BUT LET ME SAY ONE THING MORE ABOUT THIS: THERE HAS TO BE EVIDENCE. THERE WAS EVIDENCE IN THE CASE OF THE WATERGATE AFFAIR. NOW, IF AMBASSADOR WHITE OR ANYONE ELSE HAS EVIDENCE TO SUPPORT WHAT HE, ACCORDING TO YOU, HAS SAID, I WISH HE WOULD BRING IT FORWARD.

18. Q. (IRISH REPORTER) ANNE DAYLEY, A REPORTER FOR IRISH RADIO....

19. A. GREAT, I DIDN'T REALIZE THAT IRELAND WAS INTERESTED IN EL SALVADOR.

20. Q. MR. AMBASSADOR, THERE IS A TREMENDOUS AMOUNT OF RESENTMENT IN SOME OF THE EUROPEAN COUNTRIES, INCLUDING MY OWN COUNTRY, ABOUT AMERICA'S INVOLVEMENT IN THIS PART OF THE WORLD. AS THE GRAPH OF KILLINGS CONTINUES TO RISE IN THIS COUNTRY, HOW CAN YOU LEGITIMIZE YOUR PRESENCE TO THE OUTSIDE WORLD AND PARTICULARLY TO THE EUROPEAN COUNTRIES, OF YOUR INVOLVEMENT HERE IF THE SPIRAL OF KILLINGS CONTINUES TO INCREASE?

21. A. WELL, I WOULD HOPE YOU WOULD HELP TO DO THAT BY TELLING YOUR READERS THE TRUTH.... YOU KNOW, THE SITUATION IS DIFFICULT HERE. I DON'T THINK, YOU KNOW, THAT IT HELPS VERY MUCH TO TRY TO DECIDE WHO IS THE MORE TO BLAME IN A SITUATION WHICH I CALL "AN AGONIZING SITUATION" FOR SALVADOR. ANY TIME THERE IS AN INTERNAL STRUGGLE, OR A CIVIL WAR, FAMILIES DIVIDED, IT'S HORRIBLE. IT'S AGONY. AND I'M SURE THAT THE VAST MAJORITY OF SALVADORANS ONLY HOPE THAT THIS WILL QUICKLY END, AS I DO, AS I'M SURE PRESIDENT DUARTE DOES, AS THE JUNTA DOES.

22. A. IT'S PERFECTLY CLEAR TO ME--MAYBE NOT TO YOU--THAT
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IF IT HAD NOT BEEN FOR THE LARGE ARMS SHIPMENTS THAT CAME ACROSS NICARAGUA, TRANSITING CUBA, ORGANIZED BY FRIENDS OF MOSCOW THE WORLD OVER: VIETNAM, ETHIOPIA, BULGARIA. IF THAT HADN'T HAPPENED, CERTAINLY THE SITUATION WOULD BE A LOT MORE PEACEFUL AND TRANQUIL. AND I THINK THAT YOUR READERS IN IRELAND SHOULD REALIZE THAT THERE WAS OR IS AN ATTEMPT BY OUTSIDE FORCES TO TAKE OVER EL SALVADOR. YOU KNOW--AND YOUR READERS SHOULD BE TOLD--THERE WERE NO AMERICAN ARMS PROVIDED TO EL SALVADOR UNTIL THE SO-CALLED FINAL OFFENSIVE WAS LAUNCHED. WE ARE DEFENDING A REFORM-MINDED--OR HELPING TO DEFEND, THEY'RE DEFENDING THEMSELVES--A REFORM MINDED GOVERNMENT. THERE'S NOTHING TO BE

ASHAMED OF AT ALL.

23. Q. PERHAPS I COULD JUST ASK ONE MORE QUESTION. I VISITED REFUGEE CAMPS IN HONDURAS ABOUT A WEEK AGO, AND THERE I SPOKE TO SOME SALVADORAN REFUGEES WHO HAD CROSSED OVER THE BORDER JUST ABOUT THREE OR FOUR WEEKS AGO. AND THEY TOLD HORRIFIC STORIES OF BEING BOMBARDED BY SALVADORAN HELICOPTERS CROSSING OVER THE RIO LEMPA. NOW THIS IS A GOVERNMENT THAT YOU'RE SUPPORTING, MILITARILY AND ECONOMICALLY. WHEN I HEAR, WHEN I SPEAK TO THESE PEOPLE AND WHEN I LISTEN TO WHAT THEY HAVE TO SAY, I'M VERY ANGRY WITH WHAT AMERICA'S DOING...HERE. AGAIN, HOW CAN YOU LEGITIMIZE SUPPORTING A GOVERNMENT WHICH IS WIPING OUT ITS OWN PEOPLE?

24. A ARE YOU VERY ANGRY WHEN YOU HEAR OF REBEL ATTACKS? ARE YOU VERY ANGRY WHEN YOU SEE THE EVIDENCE THAT HUNDREDS OF TONS OF FOREIGN ARMS WERE DELIVERED TO THE INSURRECTION TO USE AGAINST THE GOVERNMENT OF EL SALVADOR? I MEAN, AS I SAY, I FIND IT AGONIZING. THESE TERRIBLE THINGS HAPPEN IN CIVIL WAR. THE UNITED STATES FOUGHT ONE OVER A HUNDRED YEARS AGO, AND WE STILL HAVEN'T FULLY RECOVERED. THERE'S A TERRIBLE SITUATION TO THE NORTH OF YOUR COUNTRY. OUR APPRECIATION OF THE SITUATION IS (THAT) THE GOVERNMENT OF EL SALVADOR IS DEFENDING ITSELF AGAINST EXTERNAL FORCES, COMMUNIST FORCES. WE ARE HELPING WHERE WE'RE ASKED TO HELP. WE REGRET ANY EXCESS, ANY MISUSE OF ANY EQUIPMENT THAT WE PROVIDE.

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25. Q. DAG HAVON HELLEVIK, NORWEGIAN FREE-LANCE. I'D LIKE TO PICK UP ON THE QUESTION THAT MISS DAYLEY ASKED. I DIDN'T GET ANY SPECIFIC ANSWER TO IT. I HAVE MYSELF ALSO GOT TESTIMONIES FROM FAMILIES WHO CLAIMED TO HAVE BROTHERS, SISTERS, FATHERS TAKEN AWAY BY ARMY UNITS FROM REFUGEE CAMPS IN HONDURAS AND IN EL SALVADOR. WHAT DOES THE AMERICAN EMBASSY INTEND TO DO, TO PRESSURE THE SALVADORANS TO MAKE THESE THINGS STOP HAPPENING?

26. A. MY UNDERSTAND--AND I PROBABLY DON'T KNOW AS MUCH ABOUT IT AS I SHOULD, YOU'RE HELPING ME LEARN--IS THAT THE UNITED NATIONS, RELIEF ORGANIZATIONS, INTERNATIONAL RED CROSS, (ARE) WATCHING THOSE REFUGEE CAMPS. THERE ARE REPORTS, AS YOU SAY. THERE ARE ALSO, AS I SAY, REPORTS OF MANY ATROCITIES FROM THE OTHER SIDE. NOW, I'M SURE THAT THE RED CROSS, UNITED NATIONS, THE GOVERNMENT OF EL SALVADOR, THE GOVERNMENT OF HONDURAS, CERTAINLY THE GOVERNMENT OF THE UNITED STATES REGRETS ANY VIOLATIONS OF THE INTERNATIONAL RULES OF THE GAME.

27. Q. CAN I ASK ONE MORE ON THAT?

28. A. YES

29. Q. AS THE SITUATION IS IN EL SALVADOR,- THE AMERICAN EMBASSY HAS NOT MUCH INFLUENCE OVER THE KILLINGS DONE BY THE LEFT. BUT THE AMERICAN EMBASSY HAS INFLUENCE ON THE GOVERNMENT SIDE OF THE STRUGGLE IN SALVADOR. I DON'T DOUBT THAT YOU WILL REGRET THESE THINGS HAPPENING. BUT WHAT CAN YOU DO TO STOP IT?

30. A. LET ME ASK YOU THIS, SIR. IF SOMEONE WERE SHOOTING AT YOU AS YOU WALKED DOWN THE STREET, AND YOU SHOT BACK, AND SAID "I'M GOING TO DEFEND MY LIFE." WOULD YOU WELCOME AN OUTSIDER COMING AND TELLING YOU CAN'T SHOOT BACK? I MEAN, WHAT ARE WE TALKING ABOUT HERE?
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31. Q. (INAUDIBLE) ARE YOU DOING TO STOP THE KILLING BY SOLDIERS...

32. I REPEAT, MY UNDERSTAND OF THE POSITION OF THE GOVERNMENT OF EL SALVADOR IS THAT THEY ARE NOT DOING THESE THINGS, AND THAT THEIR ORDERS TO THE SECURITY FORCES ARE TO USE MINIMUM FORCE. OF COURSE, THINGS GO WRONG. THEY KNOW IT. THEY KNOW THE POSITION OF THE UNITED STATES. I TRUST YOU'RE ALSO REPORTING WHEN THE GUERRILLEROS, ATTACK CIVILIANS. IT'S TERRIBLE SITUATION, THAT'S WHAT I'VE BEEN SAYING, AN AGONIZING SITUATION.

33. Q. ACCORDING TO INTELLIGENCE SOURCES, HAS THE FLOW OF ARMS TO REBELS BEEN INCREASING LATELY AFTER A LULL IN THE SHIPMENTS FROM CUBA AND NICARAGUA SUPPOSEDLY?

34. A. THERE IS SOME INTELLIGENCE THAT THE FLOW OF ARMS HAS RESUMED. I'D HAVE TO ADD THAT SINCE THE DISCOVERY OF DOCUMENTS WHICH PROVED WITHOUT DOUBT THE MASSIVE SCALE AND WHO WAS DOING IT, THAT THE EXTREME LEFT AND THOSE THAT ARE HELPING THEM, ARE BEING MUCH MORE CAREFUL AND THEY'RE NOT PROVIDING US EVIDENCE OF WHAT THEY'RE DOING. BUT YES, THERE ARE INTELLIGENCE REPORTS THAT THE ARMS FLOW CONTINUES, SPORADICALLY.

35. WILL THE AMERICAN ARMS AID INCREASE AS THE OTHER SUPPLY OF ARMS INCREASES?

36. I MUST SAY I THINK THAT THE PRESENT LEVEL OF MILITARY ASSISTANCE IN EL SALVADOR IS SUFFICIENT TO DO THE JOB. NOW CLEARLY, WERE THERE TO BE SOME MASSIVE RENEWAL OF FLOW OR INTRODUCTION OF OUTSIDE PERSONNEL, WE'D HAVE TO TAKE ANOTHER LOOK. BUT I AM SATISFIED WITH WHAT WE'RE DOING MILITARILY, AND I'M HOPEFUL THAT WE WILL BE ABLE PROGRESSIVELY TO REDUCE THE NUMBER OF AMERICAN TRAINERS IN EL SALVADOR.

37. Q. (IN A RECENT BRIEFING, COL. GARCIA INDICATED THAT SPECIFICALLY MORE HELICOPTERS WOULD BE NEEDED, AND SOMETHING LIKE 100 TRAINERS. IN THAT LIGHT, WILL PRESENT MILITARY AID BE REVISED?)

38. A. I THINK YOU'VE TALKING TO SOMEONE THAT I HAVE YET NOT MET. I HAVE MET THE OFFICERS OF THE MILGROUP, AMERICAN MILITARY
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IN COUNTRY, AND NO ONE HAS SAID ANYTHING TO ME ABOUT INCREASING TO A HUNDRED OR ANY OTHER NUMBER. QUITE THE CONTRARY.

39. Q. WILL THE NUMBER (OF TRAINERS) GRADUALLY DROP OFF, THEN?

40. A. WELL, AS THIS QUESTION INDICATED, TO SOME EXTENT IT IS

THE FUNCTION OF THE EVOLVING SITUATION. BUT I AM HOPEFUL, AND PERSONALLY REASONABLY OPTIMISTIC, THAT WE WILL TRY TO REDUCE THE NUMBER OF TRAINERS.

41. (WHAT ABOUT PROVIDING MORE ECONOMIC AID, SINCE YOU ARE THE ONLY SOURCE OF ECONOMIC AID COMING INTO EL SALVADOR?)

42. A. WELL, THERE'S SOME AID COMING FROM SOME EUROPEAN COUNTRIES. SOME FRENCH AID AND SOME AID FROM THE EUROPEAN COMMUNITY. NOT VERY LARGE AMOUNTS.

43. Q. (ARE YOU CONSIDERING GIVING ADDITIONAL AID?)

4. A. WHAT I'M UNDER INSTRUCTION TO DO IS TO REVIEW THE SITUATION, AND I HAVE ALREADY SPENT SOME CONSIDERABLE TIME LOOKING AT THE BASIC DATA. I'VE HAD IN-COUNTRY A SPECIAL EXPERT LOOKING AT THE SITUATION, WHO HAS BEEN DEVELOPING ANY ANALYSIS WITH THE HELP AND COOPERATION OF THE ECONOMIC OFFICIALS OF THE GOVERNMENT. I INTEND TO TAKE A LITTLE TIME TO GET TO KNOW THE COUNTRY, GET TO TRY AND MAKE A JUDGEMENT MYSELF AS TO WHAT THE NEEDS ARE. BUT I AM ON RECORD AS BELIEVING THAT MORE ECONOMIC ASSISTANCE IS PROBABLY NEEDED. WHAT I WILL BE LOOKING AT, DISCUSSING WITH THE GOVERNMENT, THE MINISTERS INVOLVED, IS HOW MUCH MORE, WHAT FOR, HOW CAN WE BE SURE THAT IT IS USED TO REALLY HELP REVIVE THE ECONOMY. NOW, THERE'S CONSIDERABLE ASSISTANCE COMING IN NOW, AS YOU KNOW. WE HAVE A LOT OF ASSISTANCE OF VARIOUS KINDS IN THE PIPELINE. AND THERE IS SOME REAL QUESTION, YOU KNOW, AS TO WHAT THE FUTURE IS. YOU COME FROM THE FINANCIAL TIMES. WHAT IS THE SIGNIFICANCE OF

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CONTINUING FALLING COFFEE PRICES? SHOULD THAT BE COMPENSATED FOR BY THE INTERNATIONAL MONETARY FUND? SHOULD PEOPLE TIGHTEN THEIR BELTS? SHOULD WE TRY TO PROVIDE A LITTLE OFFSETTING AID? QUESTIONS LIKE THIS, THERE'S A WHOLE SERIES OF THEM. BUT THIS IS A VERY HIGH PRIORITY, OR PERSONAL PROJECT, UNDER INSTRUCTIONS OF MY GOVERNMENT, WHICH IN GENERAL ARE TO REVIEW THE ENTIRE SITUATION. BUT THIS IS AN ASPECT OF THE SITUATION THAT WILL BE UP IN THE FRONT UNLESS THERE ARE A LOT OF IMMEDIATE CRITICAL PROBLEMS INVOLVING DIRECT AMERICAN INTEREST, THAT TAKE TIME, SUCH AS OUR CONCERN FOR OUR CITIZENS.

45. Q. YOU TYPIFIED THIS GOVERNMENT A MOMENT AGO AS "REFORM-MINDED"? NOW I THINK THAT THE TWO REFORM PROJECTS ESSENTIAL TO THE GOVERNMENT RIGHT NOW ARE THE ELECTIONS AND THE AGRARIAN REFORM. NOW, THE AGRARIAN REFORM PROGRAM HAS COME UNDER RECENT CRITICISM FROM BOTH LAND-OWNERS AND FARMWORKERS' UNIONS. THE ELECTION --THE CREATION OF THE NEW ELECTION LAW--HAS BEEN SIMILARLY CRITICIZED RECENTLY AND I NOTICE THAT COL. GUTIERREZ ...ANNOUNCED JUST A FEW DAYS AGO THAT THE FDR WILL NOT BE ALLOWED TO PARTICIPATE IN THE ELECTIONS. WOULD YOU MAYBE GIVE US YOUR OVERVIEW OF THE REFORM PROGRAM SITUATION?

46. A. WELL, I THINK ANY TIME ANY SOCIETY INTRODUCES REFORMS, THEY'RE ALMOST BY DEFINITION CONTROVERSIAL. IT'S CERTAINLY TRUE IN THE UNITED STATES. PRESIDENT REAGAN HAS PROVOKED CONSIDERABLE CONTROVERSY WITH SOME OF HIS PROPOSALS. SOME PEOPLE THINK THEY'RE TOO MUCH, -AND OTHER PEOPLE THINK THEY'RE

NOT ENOUGH AND WE FORTUNATELY HAVE A PROCMS, LEGISLATIVE, AND A BY-PLAY TO WORK OUT A CONSENSUS, AND HE'S BEEN VERY SUCCESSFUL. IT IS MORE DIFFICULT HERE. AS I UNDERSTAND IT, THE AGRARIAN REFORM INVOLVES LITERALLY HUNDREDS OF THOUSANDS OF CAMPSINOS WHO NOW HAVE HOPE FOR THE FUTURE, BUT I AM... I THINK WE SHOULD RECOGNIZE THAT INEVITABLY, TRANSFERRING OWNERSHIP OF PROPERTY THERE WILL BE PROBLEMS AND THAT IN ESTABLISHING TITLES IT'S A TREMENDOUS ADMINISTRATIVE, TECHNICAL JOB.

47. ELECTIONS, I MUST SAY I AM MORE OPTIMISTIC THAT FREE
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ELECTIONS WILL BE HELD AND WILL BE SUCCESSFUL THAN I WAS WHEN I THOUGHT ABOUT IT IN WASHINGTON. ANY PRESIDENT DUARTE IN OUR CONVERSATION THIS MORNING EXPRESSED OPTIMISM. NOW, THERE ARE PROBLEMS HERE TOO: YOU'VE ALLUDED TO ONE: WHO PARTICIPATES? NOW, I'M A NEW COMER AND I MAY NOT UNDERSTAND THIS; BUT MY UNDERSTANDING IS THAT THE FRENTE, THE FDR, IS NOT A POLITICAL PARTY. BUT THOSE POLITICAL PARTIES THAT ARE MEMBERS OF THE FRENTE--AS I UNDERSTAND, CERTAINLY SOME OF THEM--ARE ALREADY REGISTERED AND UNDER THE LAW ARE ENTITLED TO PARTICIPATE. AND I SAY THIS WITH THE RESERVE THAT I'VE BEEN HERE FOUR DAYS AND THERE'S A LOT I DON'T UNDERSTAND.

48. I MAY MISREAD THE DECREES FROM THE ELECTORAL COMMISSION. BUT LOOKING, FOR EXAMPLE, AT THE PROBLEM OF CONTROL OF THE COUNTRY, THERE ARE VERY LIMITED AREAS THAT ARE CONTROLLED BY GUERRILLA FORCES. ANY THEY SEEM TO BE SHRINKING, OR AT LEAST I AM TOLD THAT. AND HAVING LOOKED AROUND SAN SALVADOR, I SEE, FIRST IMPRESSION, IT LOOKS TO ME THAT THE POSSIBILITIES OF HOLDING THE ELECTIONS ARE BETTER THAN I WOULD HAVE THOUGHT FROM READING WHAT THE LADIES AND GENTLEMEN OF THE PRESS, THE STORIES THEY SEND AROUND THE WORLD. I SUSPECT THAT YOU, LADIES AND GENTLEMEN, EXAGGERATE THE DOWN SIDE. I'M NOT SAYING THERE ISN'T A DOWN SIDE; THERE IS A DOWN SIDE, A TERRIBLE DOWN SIDE. BUT I SUSPECT MAYBE IT IS A LITTLE EXAGGERATED. YOU CAN ASK YOU OWN CONSCIENCES HOW YOU WRITE YOUR STORIES.

49. Q. IF I COULD JUST BRIEFLY ASK YOU A QUESTION ABOUT THE PRESS. IT'S MY UNDERSTANDING --I HAVE BEEN TOLD DIRECTLY BY A SPOKESMAN FROM THE NATIONAL GUARD--THAT THEY HAVE IN THEIR POSSESSION A COPY OF A LIST OF INTERNATIONAL JOURNALISTS, THAT IS ALLEGED TO HAVE BEEN CAPTURED FROM AN FDR MEMBER. AND THAT MEMBERS OF THE INTERNATIONAL PRESS CORPS ARE CURRENTLY BEING INVESTIGATED. DO YOU HAVE KNOWLEDGE OF THAT DOCUMENT?

50. A. I'M SORRY, I DO NOT KNOW. HOWIE, DO YOU KNOW ABOUT THIS? THIS IS THE FIRST TIME I'VE HEARD OF THAT.

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51. HALANE: "I'VE HEARD ABOUT THAT BUT I'VE NEVER SEEN THE DOCUMENT.

52. A. BUT YOU HAVEN'T SEEN IT. I HADN'T EVEN HEARD ABOUT THAT.

53. Q. (LOS ANGELES TIMES REPORTER) YOU REPRESENT A DIFFERENT

ADMINISTRATION THAN MR. WHITE, WHO WAS THE LAST PERMANENT AMBASSADOR HERE. CAN YOU TELL US HOW YOUR INSTRUCTIONS DIFFER FROM HIS, WHAT CHANGES THERE WILL BE IN THE NEW ADMINISTRATION REGARDING EL SALVADOR?

54. A. WELL, I HAVEN'T READ HIS INSTRUCTIONS. AS FAR AS I KNOW, WE DON'T HAVE ANY WRITTEN INSTRUCTIONS. I HAVE SOME GENERAL GUIDANCE, THE ESSENCE OF WHICH I GUESS I WOULD PUT IT THIS WAY: WE CONSIDER THE JUNTA AND THE GOVERNMENT OF EL SALVADOR AS A FRIENDLY GOVERNMENT UNDER ATTACK, AND WE WILL HELP. WE WILL URGE, AS I HAVE SAID, THAT THEY CONDUCT THEMSELVES IN SUCH A WAY THERE IS AN ABSOLUTE MINIMUM OF SECURITY EXCESSES OR ABUSES. WE SUPPORT--AND AS I'VE SAID EARLIER--I BELIEVE NOW CHANCES FOR FREE ELECTIONS TO PROVIDE A POLITICAL SOLUTION TO THE PROBLEM OF EL SALVADOR--ARE BETTER. AND WE SUPPORT THEM. I'VE ALSO SAID THAT I HAD GENERAL INSTRUCTIONS TO REVIEW THE SITUATION, QUESTIONS OF ECONOMIC ASSISTANCE WITH HIGH PRIORITY, BUT ALSO TO LOOK IN GENERAL AT WHAT WE ARE DOING-- TRYING TO FIND OUT IF HOWIE LANE IS DOING THE RIGHT THING. WE... I THINK THERE'VE BEEN SOME MISUNDERSTANDING ABOUT THE REAGAN ADMINISTRATION, AND I THINK ONCE AGAIN THAT HERE IS A TENDENCY BOTH FOR POLITICAL LEADERS AND FOR JOURNALISTS TO EMPHASIZE DIFFERENCES. NOW, AMBASSADOR WHITE AND AMBASSADOR HINTON ARE BOTH INTERESTED IN HUMAN RIGHTS. AS I UNDERSTAND IT, AMBASSADOR WHITE PUBLICLY DISCUSSED SPECIFIC CASES. I WILL TRY TO TALK, TO MAKE MY VIEWS AND MY GOVERNMENT'S VIEWS KNOWN, PRIVATELY. I DON'T KNOW HOW MUCH A DIFFERENCE THAT IS. AS I UNDERSTAND IT, AMBASSADOR WHITE AND PRESIDENT CARTER IN JANUARY FOUND THE EVIDENCE CONVINCING OF OUTSIDE SUPPORT FOR THE INSURGENCY. SO FROM THAT PERIOD ON, POSITIONS ARE VERY SIMILAR. NOW CLEARLY, THE REAGAN ADMINISTRATION HAS MADE A COMMITMENT TO CONTINUE TO ASSIST, TO MAINTAIN A NON-LENINIST, NON-CASTRO
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DOMINATED GOVERNMENT IN EL SALVADOR. BUT NONE OF THIS COMES, AS FAR AS I KNOW, FROM WRITTEN INSTRUCTIONS. IT MAY BE THAT IS MY INTERPRETATION. I MAY BE WRONG, I MAY BE DISOWNED IN WASHINGTON TOMORROW. WHO KNOWS? I HOPE NOT, BECAUSE I LIKE IT DOWN HEREAJCBI'M LOOKING FORWARD TO STAYING A LONG TIME.

(FOLLOWING ARE UNOFFICIAL TRANSLATIONS FROM SPANISH)

55. 1. (SAMAYOA, FRANCE PRESS): MASSIVE ASSISTANCE FOR CENTRAL AMERICA: MINI MARSHALL PLAN. THE CENTRAL AMERICAN GOVERNMENTS LOOK FAVORABLY ON SUCH INTERNATIONAL ASSISTANCE. HOWEVER, NICARAGUA HAS RECENTLY SAID THAT THIS PLAN MIGHT BE AGAINST THE INTEREST OF THE SANDINISTS REVOLUTION AND CONTRARY TO REVOLUTIONARY PLANS IN BOTH EL SALVADOR AND GUATEMALA. WHAT IS YOUR OPINION ABOUT THIS?

56. A. I HAVE VERY LITTLE TO COMMENT ON THIS. FIRST, I UNDERSTAND THERE ARE STUDIES IN WASHINGTON ON THE POSSIBILITY OF A GREATER ASSISTANCE EFFORT WITH THE PARTICIPATION OF MANY MORE COUNTRIES IN ORDER TO IMPROVE THE BASIC CONDITIONS IN THE CENTRAL AMERICAN AND CARIBBEAN REGION. OF COURSE, IF THE

GOVERNMENTS HERE (IN CENTRAL AMERICA) DO NOT WANT TO CONSULT, TO DIALOGUE, TO PARTICIPATE, IT IS UP TO THEM. THE SANDINISTAS OR OTHER GOVERNMENTS, IF THEY ARE NOT INTERESTED IT IS UP TO THEM TO DECIDE. BUT FOR THE MOMENT, I BELIEVE THERE ARE RUMORS THAT THERE ARE NO FIRM PROPOSALS ON THIS PRELIMINARY IDEA. I DON'T UNDERSTAND HOW A GOVERNMENT CAN REJECT SOMETHING THAT HAS NOT YET MATERIALIZED.

57. Q. (RAUL BELTRAN, UPI) DOES THE REAGAN ADMINISTRATION STILL MAINTAIN THE SIX CONDITIONS REPORTED ABOUT TWO WEEKS AGO TO CONTINUE THEIR ASSISTANCE TO THE SALVADORAN GOVERNMENT, ESPECIALLY THE CONDITION REGARDING RESPECT TO HUMAN RIGHTS AND UNCLASSIFIED

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POLITICAL (FORCES) AND DEMOCRATIC PARTICIPATION OF ALL GROUPS IN EL SALVADOR?

58. A. SENOR, LET ME CHANGE YOUR IDEA SOMEWHAT ABOUT THE CURRENT SITUATION: THE SIX CONDITIONS ARE THE SENATORS' IDEA, MEMBERS OF THE U.S. CONGRESS. THE REAGAN ADMINISTRATION DOES NOT BELIEVE THAT IT IS A GOOD IDEA TO IMPOSE SO MANY CONDITIONS ON MILITARY ASSISTANCE TO EL SALVADOR. IN WASHINGTON, THE POLITICAL PROCESS CONTINUES BETWEEN THE CONGRESS AND THE ADMINISTRATION IN ORDER TO COME TO TERMS REGARDING THIS MATTER. I DON'T KNOW WHAT THE RESULTS WILL BE. I CAN TELL YOU THAT IN ANY EVENT, AS AN AMBASSADOR, I HAVE TO ACT ACCORDING TO THE LAWS OF MY COUNTRY. IF THE SENATE VOTES FOR THESE CONDITIONS, THAT'S IT. BUT PERSONALLY, I HOPE THAT THERE WILL MUCH MORE FLEXIBILITY ON THAT MATTER. WE'LL SEE.
(FOLLOWING QUESTION AND ANSWER IN ENGLISH)

59. (MARIO ROSENTHAL, EL SALVADOR NEWS GAZETTE) MR. AMBASSADOR, I UNDERSTAND THAT YOU'RE AN ECONOMIST, THAT THIS IS YOUR STRONG FIELD AND THAT YOU STUDIED THE ECONOMIC SITUATION OF EL SALVADOR BEFORE YOU CAME. WHAT IS YOUR OPINION OF A 64 MILLION DOLLAR BOND ISSUE IN EL SALVADOR...AT ONE PERCENT INTEREST FOR THIRTY YEARS, TO BE USED TO FINANCE THE COFFEE COMPANY, THE STATE COFFEE INSTITUTION. HOW DOES THIS AFFECT THE ECONOMY OF EL SALVADOR?

60. A. MR. ROSENTHAL, I APPRECIATE THE FLATTERING REMARKS ABOUT BEING AN ECONOMIST. I USED TO THINK I WAS AN ECONOMIST. THEN I DISCOVERED, GOING THROUGH SOME OLD TRUNKS, MY DIPLOMA FROM THE UNIVERSITY OF CHICAGO, AND IT SAID I HAD A B.A. IN SOCIAL SCIENCES, WHATEVER THAT IS. NOW, BY THE STANDARDS OF THE FOREIGN SERVICE, I AM AN ECONOMIST, BUT I'M NOT A PROFESSIONAL ECONOMIST, BY THE STANDARDS OF A CAREER DIPLOMAT. I'VE HAD MANY ECONOMIC ASSIGNMENTS, BUT I MAY BE A POLITICAL ECONOMIST. I COME FROM A SENIOR JOB IN WASHINGTON HANDLING INTERNATIONAL ECONOMIC PROBLEMS: OIL PRICES, FREE TRADE, THE STABILITY OF THE MONETARY UNCLASSIFIED

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SYSTEM, AND THEN YOU ASK ME ABOUT A BOND ISSUES I NEVER HEARD ABOUT.
SO I CAN'T ANSWER THAT. BUT DON'T KID YOURSELF: I'M NOT REALLY A
PROFESSIONAL ECONOMIST, AND THAT'S WHY I AM GOING TO BRING IN
PEOPLE WHO REALLY KNOW WHAT THEY'RE DOING. I THINK I HAVE A CERTAIN
SENSE FROM WHEN THEY'RE KIDDING ME AND FOR THE POLITICAL
POSSIBILITIES THAT GO... YOU KNOW, I CAN READ A NATIONAL INCOME
TABLE.

...THANK YOU ALL. IT'S GOOD TO MEET YOU. LANE UNQTE STOESSEL

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