



Reagan says he'll retain Stockman; seek return of covert aid to contras

WASHINGTON (AP) — President Ronald Reagan said Thursday night he would not "pull the rug out... instantly" from under the nation's farmers, but that government agricultural programs have not worked and he wants to return the "farm economy into the free marketplace."

He said he plans to keep his controversial budget director, David Stockman, who angered embattled farmers by questioning their right to government bailouts. "I can understand a fellow blowing his cool," Reagan said of Stockman.

At the first news conference of his second term in office, Reagan also said his goal in Nicaragua is to remove the Sandinista government "in the sense of its present structure," but said he would not seek to oust the government "if they say uncle."

"It is not a government chosen by the people... we believe we have an obligation to be of help where we can... and we're going to try to persuade the Congress that we can legitimately go forward," he said.

Congress last year imposed a ban on covert aid to the Nicaraguan rebels known as "contras" and Reagan has said he will seek to reinstate the financial assistance.

Reagan also renewed his calls for Congress to pass tax overhaul legislation this year, and to summon the "political courage" needed to enact his program of spending cuts.

With the Senate embroiled in a dispute over emergency aid to cash-strapped farmers, the president told the nationally-televised news conference he supports a "short-term" program including \$650 million in loans and loan guarantees.

Refugee shelter director and aide convicted, attorneys will appeal

HOUSTON (AP) — A federal jury Thursday convicted the director of a refugee shelter of illegally transporting Salvadoran aliens, while another member of the sanctuary movement was found guilty of one of three charges.

Attorneys for Jack Elder and Stacey Lynn Merkt promised to appeal the verdicts, which were reached after about four hours of deliberation.

Elder, 41, directs the Roman Catholic Church-sponsored Casa Oscar Romero shelter in San Benito, near the Mexican border. He said his conviction on five charges would not deter him from his activities.

"I'm proud that I am following the best traditions of my faith and our country," Elder said.

Merkt, 30, was found guilty on one count of conspiracy but innocent of two counts of transporting two Salvadoran aliens. "I don't know whether to cry or to yell about the injustices both here and there," she said, referring to El Salvador. "I believe it is time to yell. I will persevere."

Sanctuary activists say they are helping refugees on the premise that international and U.S. laws, including the 1980 Refugee Act, grant legal asylum to refugees who are fleeing political persecution and violence.

Elder could be fined up to \$28,000 and sentenced to 30 years in prison. Merkt faces a maximum five years in prison and a \$10,000 fine. U.S. District Judge Filemon Vela set sentencing for March 27.

Defense budget freeze attacked

WASHINGTON (AP) — Sen. Barry Goldwater, R-Ariz., sharply criticized a proposal by fellow committee chair Mark Hatfield to freeze the defense budget Thursday. Goldwater, chair of the Senate Armed Services Committee, said Hatfield's proposal "... would hand to the Soviets a victory that they could not hope to achieve at the negotiating table."

Goldwater took the Senate floor to denounce Hatfield's plan, which was laid out in a Feb. 14 letter from the Oregon Republican.

"Too many Americans in positions of leadership want to return to the old shortsighted policies of weakness, conciliation and isolationism," Goldwater said. "Have we learned nothing from history?"

Goldwater said Hatfield, a fellow Republican and chairman of the Senate Appropriations Committee, is "sincere" with his proposal that would cut Reagan's defense spending proposal by about \$30 billion for fiscal 1986.

State lawmakers seek auto plant

SALEM (AP) — A group of state legislators launched a campaign Thursday to try to persuade General Motors Corp. to build its new Saturn Corp. automobile plant in Oregon.

At a news conference, House Majority Leader Shirley Gold said she thinks Oregon has a good shot at getting the \$3.5 billion plant, which would employ 6,000 people and create as many as 14,000 other jobs.

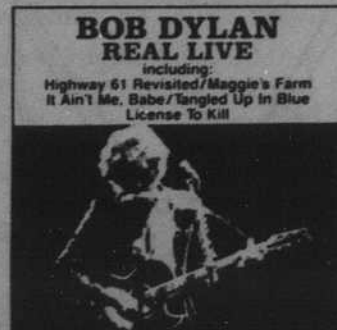
"This bid is not pie in the sky. Oregon has a real chance to be part of the short list considered by the Saturn Corp.," the Portland Democrat told reporters.

Gold said legislation will be introduced calling for the creation of a task force of public and business officials who would attempt to work with GM to locate a plant in Oregon.

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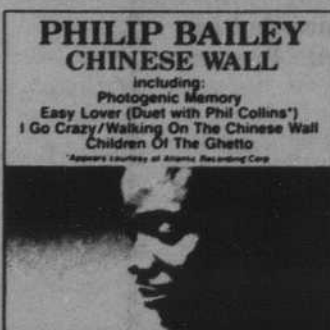
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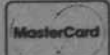


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