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'Drumatic Change' In Nicaragua Urged By Its Envoy to U.S.

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MANAGUA, Nicaragua, Dec. 11—Nicaragua's Ambassador to Washington has called for a "dramatic change" in the direction of the Sandinist Government, saying that it could ease its isolation by improving relations with neighboring governments and by increasing political freedom at home.

The Ambassador, Francisco Fiallos Navarro, made his comments in an interview that local authorities here banned from an opposition newspaper.

Circulation of photostatic copies of the interview among officials and opposition leaders here immediately stirred speculation that Mr. Fiallos had decided to leave his post after less than a year.

[Repeated efforts, both by telephone and through Nicaraguan officials, to reach Mr. Fiallos, who was believed to be in the United States, were unsuccessful this weekend. A spokesman for the Nicaraguan Embassy in Washington declined to comment on the interview.]

In the interview, which was censored out of Friday's issue of the daily La

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Prensa, the largest circulation newspaper in Nicaragua, Mr. Fiallos also sharply criticized "fanatical elements" in the Sandinist movement as well as the foreign policy of the Nicaraguan Government and its "dreadful bandling" of relations with the Roman Catholic Church.

'Swing of Rudder' Urged

Referring to limitations on political freedom inside Nicaragua, he said, "I believe that a substantial improvement is necessary, even a dramatic change, a sharp swing of the rudder in the conduct of the revolutionary process."

Sources at La Prensa said that Mr. Fiallos had provided written answers for the interview, which was prepared six weeks ago with the understanding that it would be published after Dec. 8, a religious holiday in Nicaragua. Before the interview was banned, La Prensa editors provided the local censor with the original text, carrying Mr. Fiallos's signature on every page, to prove its authenticity.

La Prensa, which was a leading voice against the Somoza regime that was toppled by the Sandinist revolution, has been a source of irritation for the current Government, publishing complaints of business and political opposition groups. The paper, which has a circulation of around 70,000, has also adopted some pro-United States, anti-Soviet positions on international issues and campaigned openly on its editorial page against Marxism-Leninism and totalitarianism.

Mr. Fiallos's predecessor as Ambassador, Arturo Cruz, resigned late in 1961, expressing disillusionment with the Sandinists, who took power in Nicaragua in July 1979.

'Difficult' Relations With U.S.

Well-placed officials here said that while Mr. Fiallos was close to the Foreign Minister, the Rev. Miguel d'Escoto Brockman, he did not enjoy the confidence of the nine-member Sandinist National Directorate, the country's top ruling body. A 36-year-old lawyer, Mr. Fiallos joined the Government soon after the revolution, serving as Deputy Foreign Minister and Ambassador to Canada before being assigned to Washington.

In the interview, the Ambassador described Nicaragua's relations with the Reagan Administration as "difficult, extremely difficult, with little probability of improving in the foreseeable future." Referring to American support for anti-Sandinist rebels based in Honduras, he warned that the Reagan Administration was pushing other Central American countries toward a "confrontation" with Nicaragua.

But he said that "if the internal situa-

tion is one of division and confrontation" in Nicaragua, "it will be very difficult to overcome the difficulties in the international field."

"I think a vicious circle exists," he went on. "On the one hand, it is said that a tough stance is necessary to neutralize the effects of the harassment. On the other hand, strong measures strengthen those who are harassing. It is necessary to break out of this circle. The Popular Sandinist Revolution is strong enough to do so. Contrary to what some radicals believe, some measures of relaxation and détente would strengthen the Government."

Most of the interview was dedicated to analyzing the domestic situation here and to urging the Sandinists to take "unavoidable and unpostponable" measures, among them:

To revoke the Emergency Law, "especially some measures that have caused great harm to the revolution, such as press censorship."

To call "free, just and honest elections" since "every attempt to suffocate or frustrate the will" of the people "disguises tyrannical intentions that should be combated directly and with decision."

To follow a "genuinely nonaligned" foreign policy instead of taking sides in the struggle of the superpowers.

To recognize the prominent role of the church in the "conscience" of the Nicaraguan people, even though "entrenched Marxist-Leninist ideologues and even less Stalinists" would find that impossible to understand.