U.S./NICARAGUA

JENNINGS: In Central America, the leader of the Nicaraguan government described the recent U.S. attempts to negotiate with his government, 'purely propaganda.' Daniel Ortega said that just when President Reagan sent Secretary of State Shultz to Managua rebels carried out a large attack on government forces. Well, many continue to believe that the Reagan administration's so-called covert war in Nicaragua has been a reaction to what the Nicaraguans were doing to destroy government forces in El Salvador. As Barrie Dunsmore reports, at least one man who should know is now attempting to turn that theory upside down.

DUNSMORE: Former CIA analyst David MacMichael is publicly challenging the basic pillar of the Reagan administration's policy for the area, namely that Nicaragua is exporting its revolution to El Salvador.

DAVID\MACMICHEAL (Former CIA Analyst): There is practically no verifiable intelligence on any deliveries of arms by Nicaragua or using Nicaraguan territory.

DUNSMORE: MacMicheal also alleges that there is no hard evidence that Nicaraguans are planning and directing Salvadoran insurgents and that not one ship or plane carrying weapons into El Salvador has actually been captured. He also rejects the administration claims that it was supporting the contras in Nicaragua in order to cut off that weapons flow. MACMICHEAL: Despite administration disclaimers that the purpose of the support for the contras is to interdict the alleged arms flow, is that the basic purpose of the operation is indeed to overthrow the current government in Nicaragua.

DUNSMORE: The administration won't even officially concede MacMicheal is a former CIA man. What the State Department did today was quote from last year's House Intelligence Committee report. ALAN\ROMBERG (State Department Spokesman): The guerrillas in El Salvador, quote, 'are well-trained, well-equipped with modern weapons and supplies and rely on the use of sites in Nicaragua for command and control and for logistical support.'

DUNSMORE: Since MacMicheal left the CIA, he spent time in Nicaragua and has joined in public protests against U.S. policy there. He is clearly not a disinterested observer, though he appears to be a knowledgeable one. Barrie Dunsmore, ABC News, the State Department.