

29 August 1984

NICARAGUA/
FIGHTING

SCHIEFFER: What to do about more U.S. aid to the contras fighting Nicaragua's Sandinista regime still must be settled by Congress. The CIA had been supplying millions of dollars in covert assistance to the rebels. In a report from this broadcast last on inside Nicaragua, we saw what it was like behind rebel lines. Tonight Richard Schlesinger reports on the targets of the contra attacks and what effect those attacks are having.

SCHLESINGER: In the northern Nicaraguan farm country, soldiers and rifles are as common as farmers and plows. U.S.-backed rebels called contras have struck in this region twice in the past three weeks. Their targets: two cooperatives producing coffee and potatoes. Most peasants in this area are members of the co-ops. Total cost of the damage, according to officials here, is more than half a million dollars. ULISES\OLIVAR (co-op manager): (voice of translator): It was that high because everything was burned. We had a lot of raw materials in each co-op and a lot of valuable chemicals.

SCHLESINGER: To defend the co-ops, the Sandinista government has armed most of the people here, organizing them into militias. 'When the army is here,' say the peasants, 'work goes on as usual. But when the army is not, some of the farmers have to stop work and stand guard duty, protecting the crops.' JUAN\PASTRANA (campesino) (voice of translator): I am a campesino and a worker. I am not a soldier. I don't like to be a soldier. But since the struggle in Nicaragua is so great we have to defend our land.

SCHLESINGER: The Sandinista soldiers in this region say the contras are poor fighters. They say they have very little ammunition. Some don't even have shoes. But the rebels clearly are having an impact. Their targets in remote mountainous regions will be very difficult, if not impossible, for the government to rebuild. Relief efforts for the people displaced by the attacks are estimated by the government to cost more than \$250 million. Last January, U.S.-backed contras attacked the small port village of *Potosi by sea and air. They destroyed a ferry boat and fired 50-millimeter shells into the customs house here. The attack went on for three days, and the village had to be evacuated. The roughly 500 families that lived here were moved to a cooperative about 30 miles away. Carmen Ortega *Majia had lived in Potosi for 20 years. CARMEN\ORTEGA\MAJIA (voice of translator): There were a lot of bullets and one person died. Some were beaten, some were wounded, and so, we're afraid to go back.

Continued

2.

SCHLESINGER: The Sandinista regime expects the attacks will cost the country \$200 million in export earnings this year. Nicaragua's gross national product is only \$2.5 billion. At the same time, though, the contras are indirectly helping the five-year-old government politically. They have given the ruling Sandinista party something on which to focus its anti-American sentiments. And that could help the party in the country's November elections, the first since the revolution. Richard Schlesinger, CBS News, near Esteli, Nicaragua.