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White House suspending its effort to secure more funding for 'contras'

By Alfonso Chardy
Inquirer Washington Bureau

WASHINGTON — The Reagan administration has abandoned for now its drive for additional CIA covert aid for Nicaraguan insurgents and instead will seek increased overt military aid for El Salvador, administration officials and congressional leaders said yesterday.

They noted, however, that the shift in tactics did not mean that President Reagan was turning away from the anti-Sandinista counterrevolutionary effort begun by the CIA in 1981.

Senate Majority Leader Howard H. Baker Jr. (R., Tenn.) and senior White House aides said that instead of seeking approval of a CIA request for \$21 million for the rebels in 1984, the administration would seek \$28 million for them in 1985 and a combined total of almost \$250 million in military aid for the Salvadorans in 1984 and 1985.

The new strategy, however, means that the battle for Nicaraguan aid could come early in the new fiscal year, which begins Oct. 1. That could set the stage for a showdown between Reagan and Congress shortly before the presidential election, and at a time when the Democratic presidential nominee, Walter F. Mondale, is expected to be campaigning with a promise to end the Nicaragua program.

"The new realism here," said a White House official, "is that as the saying goes, you shoot the wolf that is closest to the sled, and that wolf now happens to be the supplemental money for El Salvador and the rest of the programs for Central America. We realize that the Nicaragua program is very difficult at this time due to stiff Democratic opposition."

This constitutes a major shift in administration attitude from last spring, when the White House requested the \$21 million. The administration said then that the funds were desperately needed to resupply the Nicaraguan rebels, or *contras*, who at the time were said to be running out of ammunition, food, clothing, medicine and cash.

Congressional sources with access to intelligence information said, however, that the administration was backing away from that request because it had found alternate ways to finance the rebels.

Those sources said that private organizations in the United States and Latin America, as well as some Latin regimes, had supplied the rebels with money to keep them going this year and that Israel had provided them with ammunition and weapons.

Aides to Baker and Sen. Ted Stevens (R., Alaska), the assistant majority leader, said the White House and CIA had indicated that they should not work "very hard" for the \$21 million and should save their efforts for the \$28 million in 1985.

"The covert program is not dead," said a Baker aide. "It is just on hold for the time being."

Stevens said that although the White House had not withdrawn its \$21 million request, "there is no renewed request to my knowledge. I doubt that there'd be another action on it and I don't see any move to call that up now."

The new approach simply delays until the fall the expected confrontation between Congress and the administration over the covert aid.

Nevertheless, the Nicaragua issue will still come up in Congress during the current session, said Rep. Michael Barnes (D., Md.). Barnes said the House would deal with it Thursday when it votes on the 1985 Intelligence Authorization Bill, which contains funds — about \$12 billion — for the entire U.S. intelligence apparatus.

In May, the House Intelligence Committee deleted \$28 million from that bill and continued a ban on the use of CIA contingency funds to finance the Nicaraguan rebels.

Republicans are expected to offer amendments Thursday to restore the funds and eliminate the ban, intelligence-panel sources said.

However, House Speaker Thomas P. O'Neill (D., Mass.) said he would instruct the Democrats to vote against any compromise designed to keep the covert program alive. Barnes said that this time the Democrats could not afford to compromise in light of Mondale's promise, made in his San Francisco acceptance speech, to shut down the covert war within 100 days after taking office.

"This means the covert aid is dead for good this time," Barnes said.

In another development involving covert aid, Rep. William Ratchford (D., Conn.) said that a key House committee had tacked \$50 million in such aid for Afghan rebels onto a supplemental spending bill, United Press International reported.

The House Appropriations Committee, meeting Thursday, approved a \$5.4 billion measure for additional spending in fiscal 1984 that contained the Afghan aid proposal, Ratchford said.