

ARTICLE APPEARED
ON PAGE A1

WASHINGTON POST
8 July 1984

ADMINISTRATION SPLIT

Pursuit of U.S.-Sandinista Pact Is Debated

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A proposal that the United States seek direct accommodation with the leftist government of Nicaragua reportedly has produced sharp divisions within the highest levels of the administration.

At issue, according to the reports, is whether the Reagan administration should seek a direct U.S.-Nicaraguan agreement that would end American pressure on the Sandinista government and allow it a free hand in internal policies in exchange for Nicaragua's ceasing aid to leftist guerrillas in El Salvador.

The alleged dispute has serious implications for President Reagan's reelection efforts as well as for overall U.S. foreign policy.

The debate has been held so closely that while some senior officials say it is a bitter battle over Central America policy, others deny that major changes are contemplated. The issue is so sensitive that some senior officials who initially confirmed that there are disagreements later contacted Washington Post reporters to minimize their earlier remarks.

At the center of the controversy is the negotiating channel recently opened with Nicaragua by U.S. special envoy Harry W. Shlaudeman following the surprise visit to Nicaragua by Secretary of State George P. Shultz on June 1.

In recent days, at least one highly placed administration official has charged privately that Shultz is leaning toward an accommodation with the Sandinistas despite fierce opposition to the idea from Defense Secretary Caspar W. Weinberger, CIA Director William J. Casey, national security affairs adviser Robert C. McFar-

lane and U.N. Ambassador Jeane J. Kirkpatrick.

Other senior officials, representing several government agencies, said that Shultz's trip to Managua and the decision to have Shlaudeman begin talks with Nicaraguan Vice Foreign Minister Victor Hugo Tinoco was strongly opposed by the administration's more hard-line factions.

Some of these officials also said that the failure of U.S. efforts to produce clear-cut results in Central America is causing dissent within the administration.

But, several senior officials who spoke on the condition that they not be identified said it is not clear how high the dissent has reached within the administration or that there is evidence of Shultz advocating a reversal of existing policy.

Some said reports that Shultz favors trying to make a deal with Nicaragua might represent a "pre-emptive strike" by those who are suspicious of the Shlaudeman mission and who want to kill it or ensure that it cannot be used in ways that they consider detrimental to U.S. interests.

A direct U.S.-Nicaraguan accommodation would bypass the so-called Contadora process that has involved several Latin American countries in trying to work out a comprehensive peace agreement subscribed to by all countries in Central America. Current U.S. policy is to support anti-Sandinista "contra" rebels and to isolate Nicaragua by strengthening El Salvador, Honduras and Costa Rica militarily and economically.

The United States has been demanding that Nicaragua permit an internal system of pluralistic democracy; sever its ties to Cuba and the Soviet Union; halt its aid to the Salvadoran rebels and other leftist insurgency movements in the region, and substantially reduce its large military establishment.

These points would be covered under a comprehensive regional agreement that the Contadora negotiations are trying to achieve. For that reason, the United States has been prodding Nicaragua toward participating in Contadora fully and in good faith.

The administration has said that Shlaudeman's function is to give the flagging Contadora process "a shot in the arm."

Of the four U.S. aims, the issue of "internal democratization" has been regarded as especially important by policy-makers advocating a tough approach.

One senior official acknowledged that administration dissent centers on that question.

The official said "there are some in the Department of State who have the view" that Shlaudeman should pursue an agreement dealing solely with Nicaragua's activities outside its borders. According to this view, Shlaudeman should offer to end U.S. support for the "contras" and other incentives like international funding for Nicaragua's hard-pressed economy in exchange for an end to Nicaragua's support for revolutionaries in El Salvador and elsewhere.

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Such an agreement might win Nicaragua's approval, would certainly please the Democratic majority in the House, which has been increasingly hostile to Reagan's Central America policy, and would be "politically great for a day or two," the official said. But, the prevailing view within the administration has been that such an approach would be unacceptable in the long run because an unchanged Marxist government in Nicaragua would be a "regional sanctuary" for Cubans, Soviets and other Soviet-bloc personnel, and that eventually "could mean thousands of troops over the borders," the official said.

Another senior official said he believes that the White House has no choice but to continue pressing a reluctant Congress to appropriate \$21 million for continued funding of "contra" activities. If the "contra" movement is perceived as having failed because Reagan had abandoned efforts to help it, the president would be vulnerable to charges during the election campaign that he had acquiesced in a new "Bay of Pigs."

Conversely, the official continued, if Congress continues to balk at providing money for the "contras," Congress would take the blame.

As a result, the official said, while there are negative implications for Reagan during this election year whichever way he goes on the issue, the majority view within the administration is that Reagan's best course is to continue pressing for the funds.

However, he and other officials said dissenters argue that the Contadora process is failing, that key U.S. allies in Central America such as Honduras and Costa Rica are coming dangerously close to deserting the U.S. effort to isolate Nicaragua in favor of making "a separate peace" with the Sandinistas and that the United States might wind up without allies or proxies in the region.

If that happens, according to this argument, the United States could find that the only way to keep the U.S.-backed Salvadoran government of President Jose Napoleon Duarte from losing, the civil war would be through a constantly deepening U.S. military commitment to El Salvador that could lead to direct involvement of U.S. troops.

To avoid that possibility, which could be politically disastrous for Reagan, the argument continues, the United States has to make a deal with Nicaragua that would end Sandinista support for the Salvadoran rebels, even if it means dropping U.S. demands for democratization of Nicaragua.

According to the officials, the proponents of that argument are centered mainly in the State Department at "the career bureaucrat working level."

What is unclear from different accounts of the debate is whether—and to what degree—Shultz has come to agree with their position.

Some senior officials said they have seen no sign that Shultz envisions Shlaudeman's mission in terms other than its publicly stated purpose of trying to help the Contadora negotiations progress. They also said that Shultz, in internal discussions, has spoken in what one called "eloquent terms" about the need for continued U.S. support of the "contras."

However, others said they have detected what appears to be Shultz's increasing disenchantment with Contadora. They also said Shultz believes that the external debt problems troubling most of Latin America potentially pose a greater threat to international stability than anything else in the region and that failure to bring the tension in Central America to more manageable proportions impedes tackling the debt situation with greater urgency.

"Shultz would not have gone to Nicaragua merely as a symbolic gesture. It's simply not his style," one official said. "If he went, it was because he had some hope that it might lead to something substantive. The question is just what it was that he had in mind."

One point of agreement among officials queried is that Shultz's trip to Managua caused a major fight within the administration. They said his flight from El Salvador, where he attended Duarte's inauguration, to Managua for a meeting with Sandinista leader Daniel Ortega was kept secret until the last minute largely to circumvent "fierce opposition" from opponents of separate dealings with Nicaragua.

The officials said the loudest opposition came from Constantine C. Menges, the Central America expert on the National Security Council staff, and added that Menges was backed by McFarlane, Weinberger, Casey and Kirkpatrick. What one official called "a similar explosion involving the same cast of characters" occurred last month when the administration was debating whether Shlaudeman should travel to Mexico to meet with Tinoco for the first time.

According to the officials, the Mexico meeting was a "highly preliminary and tentative affair." After Shlaudeman returned and reported to Reagan and his key advisers, the officials said, the president emphasized that the United States will continue, for the present, to regard the Contadora process as the main forum for negotiations on Central America.

But, they added, while that is likely to remain the case for at least the immediate future, there clearly is uneasiness among some that an effort is under way to engineer a change of direction.

Staff writers Murrey Marder and David Hoffman contributed to this report.