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Aid for Nicaragua the Focus of Fierce Internal Policy Dispute

By John M. Goshko

Washington Post Staff Writer

Conservative groups within the executive branch are trying to sidetrack President Carter's intended \$75 million in aid to Nicaragua in hopes that Ronald Reagan, if elected in November, will quash the controversial plan to help that country's revolutionary government.

Administration sources who favor the president's policy of working with leftist forces in Central America, say the Nicaraguan aid idea has produced misgivings and in some cases outright opposition among many officials of the U.S. intelligence community and, to a lesser extent, the Defense Department.

These loyalist sources say further that, while those intelligence and military officials are not monolithic in their views, some are so hostile to the Carter approach that they have been trying through press leaks and other means to portray Nicaragua's Sandinista government as a Soviet and Cuban puppet supplying arms to communist insurgents in neighboring El Salvador.

The apparent aim, according to the sources, is to block Carter from disbursing the aid to Nicaragua until after the U.S. presidential election. Opponents of Carter's policy reportedly are hopeful that Reagan will win the election and reverse the United States' direction in Central America.

The administration's internal battling over Central American policy, which basically has pitted the State Department against intelligence and Pentagon officials, has been especially intense since the Marxist-oriented Sandinistas won a bloody civil war a year ago for control of Nicaragua.

The conflict involves a debate about how the United States should deal with the violence and ferment in the area: Should it cultivate the Sandinistas and other exponents of radical change, or should it write them off as communist puppets and try to isolate them by supporting the rightist military forces in neighboring countries?

Carter came down on the side of the State Department, which has advocated patience and cooperation with the left. But supporters of that policy contend that the opponents have been fighting a rearguard action that now appears to center on what State regards as the linchpin of that policy—the Nicaragua aid package.

Of particular concern to State was a recent leak to syndicated newspaper columnists Rowland Evans and Robert Novak, who generally reflect a strong anti-communist line. In a column published by The Washington Post Aug. 1, they asserted that two convoys of ships carrying Soviet arms from Cuba recently were unloaded secretly in Nicaragua for eventual transfer of the arms to leftist guerrillas in El Salvador.

Although the Evans and Novak column did not identify a source for the information, it left the clear impression that it came from U.S. intelligence officials. However, three high-level government sources with access to major intelligence on Central America, consulted separately by The Washington Post, said categorically that the column's assertions went far beyond any information in the hands of U.S. intelligence agencies.

According to these sources, when Cuban President Fidel Castro was in Managua in mid-July for the first anniversary celebration of the Sandinista victory, U.S. intelligence detected two Cuban vessels in the vicinity of Nicaragua.

But, the sources said, the intelligence report did not go beyond that fact. No one in the U.S. government, they insisted, has any evidence that the ships were carrying arms or other cargo that was unloaded in Nicaragua. Any assertion to that effect, they said, is sheer speculation.

State Department officials, while refusing to discuss the intelligence report, said all their evidence indicates that the Sandinista government has been scrupulously observing its often-restated pledge not to interfere in any way in the affairs of neighboring countries.

Department sources also said they have reason to believe that the Sandinistas, who make no secret of their friendship for Castro, have received some largely outmoded military equipment and arms from Cuba to aid their efforts to build a Nicaraguan "people's army."

But whatever weapons the Nicaraguans have appear to be largely defensive in nature, the sources said. They also noted that Nicaragua's military strength appears to be well below the level of all other Central American countries except Costa Rica, which has no army.

The advocates of a liberal policy in Central America believe the leak in the Evans and Novak column was part of a deliberate campaign to stop Carter from disbursing further aid to Nicaragua. During the long effort to get the aid approved in Congress, foes succeeded in attaching a stipulation that Carter cannot release the funds without first certifying that Nicaragua is not aiding violent revolutionary movements in other countries.

An intelligence assessment to support that certification is being made and is expected to be ready for Carter's review shortly after the Democratic convention. But, administration sources say, if opponents of the aid can plant, in Congress and elsewhere, new doubts about Sandinista intentions, it might become enough of an election issue to force Carter to delay acting until November.

Similarly, these sources say, the attempt to force Carter into a holding pattern on Nicaraguan aid may be reflected in the spate of reports about a meeting during the Managua celebrations last month between Castro and United Nations Ambassador Donald McHenry, who headed the U.S. delegation.

Some versions of the meeting imply that Castro spoke harshly of Reagan and voiced the strong hope that Carter would be reelected. However, persons who were present said the meeting, which took place at a public reception and was overheard by dozens, said the two talked only in general terms and that Castro's remarks about the U.S. election appeared to be largely jocular in nature.

There is no question that the U.S. election is being watched very closely in Central America. Reports from the region have noted that rightists in Guatemala, El Salvador and Honduras, resisting U.S. pressures for political and social liberalization, are openly hopeful of a Reagan victory that might change U.S. policy.

Although Reagan has given no clear signal about how he would deal with the region, he has strongly attacked Cuba on many occasions, and the Republican Party platform says:

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"We deplore the Marxist Sandinist takeover of Nicaragua and the Marxist attempts to destabilize El Salvador, Guatemala and Honduras. We do not support United States assistance to any Marxist government in this hemisphere, and we oppose the Carter administration aid program for the government of Nicaragua. However, we will support the efforts of the Nicaraguan people to establish a free and independent government."

That is in accord with the thinking of many officials in the Central Intelligence Agency and the Defense Intelligence Agency, who make no secret of their belief that Cuba and the Soviet Union are using Nicaragua as a wedge to extend their influence throughout the Caribbean basin.

But it is directly contrary to the State Department view that Nicaragua's ideological direction is still a question and that Moscow, seeking to divert attention from its invasion of Afghanistan, would like nothing better than to see the United States move into an openly hostile stance toward Nicaragua or other radical governments or groups in that area.