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State Department Strives to Recapture Contra Policy 'Hijacked' by the CIA

WASHINGTON INSIGHT

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WASHINGTON—The State Department is maneuvering to regain lost influence over U.S. Central American policy, an area that one U.S. diplomat says the Central Intelligence Agency "hijacked" early in the Reagan administration.

In an effort to capitalize on the recent departure of ailing CIA chief William Casey and growing criticism of the agency's mishandling of the Contra program, State Department officials are devoting more time and resources to combatting the Sandinistas.

State Department officials believe they will win the bureaucratic battle, and if they do, U.S. policies toward the Contras, the U.S.-backed guerrillas struggling to depose the Marxist Sandinista government, are likely to change.

State Department and even Pentagon insurgency specialists have long complained that the CIA has concentrated on clandestine military operations, while slighting the need to build a strong, democratically based insurgency movement that can appeal for legitimacy inside Nicaragua and on the world stage. Foggy Bottom is currently pressing for action, perhaps as early as this week, to make Contra leadership broader based and more democratic.

The State Department's calls for more Contra democracy have failed before, but officials believe they now have more clout to get what they want. The absence of Mr. Casey, a presidential confidant since he managed Mr. Reagan's 1980 campaign, will give Mr. Shultz a greater opportunity to act on a September presidential decision making State the lead agency in setting Nicaraguan policy.

A Change for Abrams

Another reason for the chance for a change in policy is that the hard-line assistant secretary of state for Inter-American affairs, Elliott Abrams, also seems to be modifying his earlier tendency to walk in lock step with the CIA's lead. He now seems more willing to question the agency's strong backing of the most conservative of the Contra groups, the Nicaraguan Democratic Front, known as FDN, of Adolfo Calero.

"William Casey was secretary of state for Central America," complains one administration official, who says that is certain to change under the "faceless bureaucrat" who is his successor, Robert Gates.

Others are less certain the agency's dominance over a highly secretive insurgent war can be easily challenged. The State Department is frustrated by its inability, even in Mr. Casey's absence, to get a grip on what the CIA is up to in the region and fulfill its congressional mandate of oversight and policy guidance in the distribution of \$100 million in Contra aid. ("The CIA figures what we don't know can't hurt them," the same administration official complains.)

Mr. Shultz will nevertheless gain from measures designed to increase his influence for another reason: It will silence his critics who charge he purposefully has disengaged himself from foreign-policy execution when he disagreed with administration decisions such as selling arms to Iran.

Late last month, Mr. Shultz created a new group to keep tabs on the \$100 million. The Nicaraguan Coordinating Office is being formed by Morris Busby, the former second-in-command at the U.S. embassy in Mexico City. Mr. Busby will have a staff of about half dozen people, perhaps including new diplomatic positions in the Honduras and Costa Rican embassies.

Removing Blinders

"The Busby team might not be enough, but it will certainly be better than nothing," says one State Department official. "The idea is to make sure the State Department isn't totally blind any longer and totally dependent on the CIA for its knowledge about the Contras and the war."

A handful of diplomats won't quickly ease the Contras' major problems. The guerrillas are still too closely tied in Nicaraguan minds to Anastasio Somoza, the dictator ousted by the Sandinistas, and the Contras haven't provided an alternative political vision of Nicaragua's future.

This is what the State Department hopes to change, and its aims are bringing it into conflict with the CIA. Their first test of wills could come as soon as this week over the shape of the Contra leadership. State is arguing that several leaders from Mr. Colero's FDN, the most influential group, must go because they have gone out of their way to block the influence of more

moderate factions, particularly that of Arturo Cruz.

Mr. Cruz, who has tended to emphasize the importance of social change and economic improvement within Nicaragua over military action, has said he plans to withdraw from the United Nicaraguan Opposition, or UNO, the umbrella organization created to forge Contra unity, because he hadn't any influence.

If the State Department has its way in coming days, it wants to save UNO by revamping its political structure and bringing in several new leaders. It hopes Mr. Cruz, instead of resigning from UNO, will emerge with greater impact.

State argues that such changes would make the Contras more palatable to Nicaraguans, reduce the likelihood that Congress will cut off funding and make it easier for U.S. diplomats to convince America's allies in Europe stop aiding the Sandinistas.