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Collapse of talks cited as helpful to 'contra' aid

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WASHINGTON — A breakdown in Central American peace talks could strengthen the Reagan administration's hand in winning House approval of \$100 million in aid to the "contra" rebels of Nicaragua, aid supporters said yesterday.

But critics of the package said there was no reason for them to concede defeat.

The White House blamed "intransigence" by the Sandinista government of Nicaragua for the faltering of peace talks among 13 Latin American foreign ministers meeting in Panama during the weekend. Administration officials said this showed that Nicaragua did not want a negotiated settlement.

"Nicaragua just said 'no' — I'm not surprised by that," Elliott Abrams, assistant secretary of state, told a House subcommittee yesterday. He said Sandinistas were "not interested" in a peaceful settlement, only in "crushing the contras."

The House, which last month narrowly rejected the president's request for aid to the contra rebels, is scheduled to renew debate on the issue next Tuesday, and some aid supporters said that the faltering peace talks should convince the House to support the aid request.

"With the apparent breakdown of the [peace] talks and the Sandinista incursion into Honduras, it should now be clear to House members that they erred when they turned down the president's aid package," Senate Majority Leader Robert Dole, R-Kan., said. He said the House should "join the Senate," which narrowly approved the aid plan, in supporting the rebels.

"Obviously, this was a setback, but we're not conceding defeat," said Representative William B. Richardson, D-N.M., a critic of contra aid, who met with some of the foreign ministers in Panama last weekend.

"We can win this vote . . . this is not over," he said, adding that he would work with Democratic moderates to develop an alternative to the administration's aid request.

"The [Contadora] talks are having a tough time," said Representative Michael D. Barnes, D-Md.-8th, chairman of the Western Hemisphere Affairs subcommittee and leader of the three House members on the trip to Panama. The third was Representative James C. Slattery. D-Kan.

But, he said, "the difficulty in the talks is an argument against U.S. aid to the contras," because the Sandinistas use attacks by the U.S.-aided contras as an "excuse" to avoid agreeing to a peace settlement.

"The two impediments to peace in Central America today are aid to the contras and Sandinista obstructionism, both feeding on each other," he said, adding that foreign ministers of Mexico, Colombia, Venezuela and Panama — the leaders of regional peace efforts — told the House members they "vehemently opposed" U.S. aid to the contras.

Meanwhile, Mr. Abrams heatedly defended the administration's accounts of a Nicaraguan incursion into Honduras last month just before the Senate vote, but House critics challenged those reports.

In a shouting match with Representative Peter Kostmayer, D-Pa., Mr. Abrams said the incursion was not "hyped" and was even "downplayed." Mr. Abrams said that secret cables which the House Intelligence Committee had not yet asked to see proved the administration's statements on the incursion.

"I don't think people have the feeling that we're getting an honest report from you," Mr. Kostmayer said, adding that his constituents "regard the administration as simply being highly untruthful on this matter."

"There seemed to be a great deal more alarm about this in Washington than there was in Tegucigalpa," the Honduran capital, said Mr. Barnes, who noted that some Honduran officials went to the beach while the incursion was going on.