

Newsweek

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USIS PAO/IO FROM P/PPL SOLA-NEELY/OGLESSY

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(FOLLOWING IS MATERIAL NOT FOR PUBLICATION)
AS PER AR REQUEST HEREWITH NEWSWEEK COVER STORY OF NOV. 8
HEADED: "AMERICA'S SECRET WAR: TARGET NICARAGUA."
(BEGIN TEXT)

...OFFICIAL SOURCES TOLD NEWSWEEK LAST WEEK THAT NEGRO-
PONTE IS OVERSEEING AN AMBITIOUS COVERT CAMPAIGN TO ARM, TRAIN
AND DIRECT NICARAGUAN EXILES TO INTERCEPT THE FLOW OF ARMS TO
LEFTIST GUERRILLAS IN EL SALVADOR. BUT THE OPERATION HAS
ANOTHER OBJECTIVE: TO HARASS AND UNDERMINE THE CUBAN-BACKED
GOVERNMENT OF NICARAGUA. THE PROJECT TRACES BACK TO JIMMY
CARTER'S EFFORTS TO SUPPORT NICARAGUAN MODERATES. RONALD REAGAN
ADDED THE TASK OF CUTTING THE CUBAN-NICARAGUAN ARMS PIPELINE
TO EL SALVADOR. THE PLOT, LAUNCHED MOSTLY WITH POPGUNS AND
MACHISMO, NOW THREATENS INSTEAD TO DESTABILIZE HONDURAS, TO
FORTIFY THE MARXISTS IN NICARAGUA AND TO WASTE U.S. PRESTIGE
ALONG THE TANGLED BANKS OF THE COCO RIVER. WORSE, U.S.
OFFICIALS CONCEDE THERE IS A DANGER THAT THE OPERATION COULD
PROVOKE A NICARAGUAN COUNTERATTACK ON HONDURAS THAT COULD
DRAG THE UNITED STATES DIRECTLY INTO THE CONFLICT. "THIS IS
THE BIG FIASCO OF THIS ADMINISTRATION," SAYS ONE U.S. OFFICIAL.
"THIS IS OUR BAY OF PIGS."

REPORTS OF SECRET OPERATIONS ALONG THE NICARAGUAN-
HONDURAN BORDER HAVE CIRCULATED FOR MONTHS. BUT NEWSWEEK HAS
UNCOVERED EXTENSIVE DETAILS OF A CAMPAIGN THAT HAS ESCALATED
FAR BEYOND WASHINGTON'S ORIGINAL INTENTIONS. ADMINISTRATION
SOURCES TOLD NEWSWEEK THAT THERE ARE NOW ALMOST 20 CIA
PERSONNEL SERVING IN HONDURAS -- CERTAINLY THE LONGEST
MANIFEST IN CENTRAL AMERICA. THAT TEAM IS SUPPLEMENTED BY
DOZENS OF OPERATIVES INCLUDING A NUMBER OF RETIRED MILITARY
AND INTELLIGENCE OFFICERS. ARGENTINE MILITARY ADVISERS ARE
SUPPORTING THE OPERAITON IN HONDURAS; SEPARATE ANTI-SANDINISTA
ACTIVITIES ARE UNDERWAY IN MEXICO AND VENEZUELA.

THE FIGHTING FORCES ARE DRAWN FROM 2,000 MISKITO
INDIANS, AN ESTIMATED 10,000 ANTI-SANDINISTAS IN NICARAGUA
ITSELF AND AN ASSORTED GROUP OF FORMER NICARAGUAN NATIONAL
GUARDSMEN AND SUPPORTERS OF DEPOSED DICTATOR ANASTASIO SOMOZA.
THEY HAVE SET UP 10 TRAINING CAMPS DIVIDED BETWEEN HONDURAN
AND NICARAGUAN TERRITORY. THEIR HIT-AND-RUN FORAYS AGAINST
NICRAGUAN BRIDGES, CONSTRUCTION SITES AND PATROLS ARE
DESIGNED TO HARASS THE SANDINISTAS WHILE CIA OPERATIVES CAST
AROUND FOR A MODERATE NEW NICARAGUAN LEADERSHIP.
AMONG OTHERS, THE UNITED STATES TRIED TO CULTIVATE EDEN
PASTORA -- THE FORMER SANDINISTA HERO KNOWN AS COMMANDER ZERO
-- AFTER HE RESIGNED FROM THE GOVERNMENT IN JULY
1981. THAT EFFORT FAILED. PASTORA IS A MAN WHO WOULD NOT
ACCEPT A PENNY FROM THE CIA. "SWEARS ONE ASSOCIATE. "IF HE
DID, I WOULD KILL HIM."

THE OPERATION POSED SOME VERY DISTURBING QUESTIONS: DID
IT VIOLATE THE SPIRIT IF NOT THE LETTER OF CONGRESSIONAL
RESTRICTIONS ON DIRTY TRICKS -- AND WOULD IT ONLY MAKE A BAD
SITUATION IN CENTRAL AMERICA EVEN WORSE? A CONGRESSIONAL-
COMMITTEE SPOKESMAN SAID THAT CIA DIRECTOR WILLIAM CASEY (WHO
PERSONALLY INSPECTED THE OEPRATION IN HONDURAS) HAD ADEQUATELY
BRIEFED CONGRESSIONAL OVERSIGHT COMMITTEES. BUT SOME
CONGRESSIONAL SOURCES COMPLAINED THAT THE CIA'S BRIEFINGS HAD
BEEN BLAND AND DISINGENUOUS. AND OTHERS WONDERED POINTEDLY
WHETHER THE ADMINISTRATION HAD USED APPROVAL FOR PLANS TO CUT
OFF THE FLOW OF CUBAN ARMS TO REBELS IN EL SALVADOR AS A COVER
FOR A MORE RECKLESS PLOT TO TOPPLE THE SANDINISTAS. "THIS
OPERATION'S JUST ABOUT OUT OF CONTROL AND PEOPLE ARE
GETTING PANICKY," SAID ONE SOURCE. ACCORDING TO ONE U.S.
OFFICIAL, SECRETARY OF STATE GEORGE SHULTZ WAS "FUMING" OVER
THE MESS. SAID ANOTHER, "ONLY SHULTZ CAN CHANGE IT --
IF THERE IS STILL TIME."

MODERATES: WASHINGTON'S COVERT INVOLVEMENT IN NICARAGUA
BEGAN EVEN BEFORE SOMOZA FLED THE COUNTRY. IN 1978,
WITH THE DYNASTY WEARING COLLAPSE, JIMMY CARTER SIGNED A
"FINDING," AS REQUIRED BY POST-WATERGATE LAW, AUTHORIZING
UNDER-THE-TABLE CIA SUPPORT FOR DEMOCRATIC ELEMENTS
IN NICARAGUAN SOCIETY, SUCH AS THE PRESS AND LABOR UNIONS....

AFTER THE SANDINISTAS SEIZED POWER ANYWAY, THE REAGAN
ADMINISTRATION TOOK OFFICE WORRIED THAT NICARAGUA WOULD BECOME
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A PLATFORM FOR CUBAN-SPONSORED SUBVERSION....

"THE DRIVING FORCES BEHIND THIS OPERATION WERE HAIG AND ENDERS," SAID ONE INSIDER. "BOTH THE AGENCY AND THE PENNINGTON HAD QUALMS."....

LAST DECEMBER REAGAN SIGNED HIS OWN "FINDING," EXPANDING ON CARTER'S AND AUTHORIZING THE CIA TO CONTACT DISSENTING NICARAGUANS IN EXILE AND TO CONDUCT POLITICAL AND PARAMILITARY OPERATIONS TO INTERDICT WEAPONS SHIPMENTS FROM NICARAGUA TO SALVADORAN GUERRILLAS....THEIR ESTIMATED COST. IN ITS FIRST STAGE THE PLAN WAS TO CREATE A 320-MAN, U.S.-TRAINED PARAMILITARY FORCE AT A COST OF 19.9 MILLION DOLLARS. ARGENTINA WOULD TRAIN AN ADDITIONAL 1,000-MAN FORCE....

NEGROPONTE FORGED CLOSE TIES WITH POWERFUL HONDURANS ESPECIALLY THE COMMANDER OF THE ARMED FORCES, SEN. GUSTAVO ALDOLFO ALVAREZ, WHO IS STILL THE MOST POWERFUL HONDURAN IN THE COUNTRY DESPITE THE ELECTION IN JANUARY OF PRESIDENT ROBERTO SUAREZ CORDOVA, THE FIRST CIVILIAN PRESIDENT IN NINE YEARS. "THEY DISCUSS WHAT SHOULD BE DONE AND THEN ALVAREZ DECIDES WHAT NEGRO PONTE TELLS HIM TO," A MEMBER OF THE MILITARY HIGH COMMAND SAID MATTER-OF-FACTLY.... HONDURAS, ALVAREZ HAS REASON TO COOPERATE: IN THE PAST TWO YEARS, TOTAL U.S. ASSISTANCE TO HONDURAS HAS TOTALLED 107 MILLION DOLLARS. A 76.3 MILLION DOLLAR AID PACKAGE HAS BEEN PROPOSED FOR 1983.

"IT BECOMES CLEAR THAT CUTTING THE ROADS FROM NICARAGUA WASN'T ENOUGH," SAID ONE SOURCE. "IT WAS NECESSARY TO RAISE THE COST TO THE SANDINISTAS AND THE CUBANS OF MEDDLING IN ELSALVADOR."

PROBLEMS: THAT MEANT AT THE LEAST, CROSS-BORDER HARRASSMENT-AND THAT TOO, PROVED MORE DIFFICULT THAN WASHINGTON PLANNED.

NEGROPONTE UNDER PRESSURE FROM HAIG AND ENDERS TO PRODUCE SOME SUCCESS AGAINST THE SANDINISTA TURNED TO THE ONLY PROMISING GROUP AVAILABLE-THE SOMOCRISTAS. ...SUPPORT INSIDE NICARAGUA. "THERE'S NO QUESTION THAT NICARAGUA IS RIPE FOR A CHANGE," SAID ONE EUROPEAN OBSERVER IN THE REGION. "BUT THE U.S. IS SUPPORTING THE ONLY WRONG, THE ONLY TRULY EVIL ALTERNATIVE."

AFTER NEGROPONTE AND THE SOMOCRISTAS BECAME PARTNERS, THE NEW AMERICAN ALLIES BEGAN TO FORCE WASHINGTON'S HAND. THE SOMOCRISTAS BIVOUACKED IN HONDURAS WERE ALREADY TRAINED SOLDIERS BACKED BY WEALTHY EXILES IN MIAMI. WITH THE ADDED BOOST OF TACIT U.S. SUPPORT, THEY SOON TOOK A COMMANDING POSITION AMONG COMPETING CONTRA GROUPS. THEY ALSO DEVELOPED THEIR OWN PRIVATE PLAN NUMERO UNO: TO MOVE THE CONTRA CAMPS THAT REMAIN IN HONDURAS ACROSS THE BORDER INTO NICARAGUA, THEN MOVE THE CAMPS ALREADY ESTABLISHED IN NICARAGUA FARTHER DOWN TOWARD MANAGUA AND FINALLY PAST THE CAPITAL INTO THE SOUTH. WHEN THE TIME IS RIGHT, THE SOMOCRISTAS SAY, THEY WILL DRAW THEIR LOOSE CIRCLE OF CAMPS TOGETHER IN TOWARD MANAGUA AND FORCE THE SANDINISTAS OUT. AND THEN? "COME THE COUNTERREVOLUTION. THERE WILL BE A MASSACRE IN NICARAGUA," PROMISES ONE CONTRA OFFICER. "WE HAVE A LOT OF SCORES TO SETTLE. THERE WILL BE BODIES, FROM THE BORDER TO MANAGUA."

THAT OBVIOUSLY WAS NOT WHAT WASHINGTON HAD IN MIND. DESPITE THE DIRTY LITTLE WAR ON THE GROUND, THERE IS LITTLE SUPPORT IN WASHINGTON EITHER FOR A MASSIVE CONTRA INVASION OR FOR A BORDER WAR BETWEEN NICARAGUA AND HONDURAS.

ALTHOUGH THE REAGAN ADMINISTRATION AND THE SOMOCRISTAS DISAGREE ON STRATEGY, U.S. INVOLVEMENT WITH THE CONTRAS HAS ESCALATED. WHEN EQUIPMENT-HELICOPTERS AND RADIOS FOR EXAMPLE BREAKS DOWN, AMERICANS REPAIR IT. AMERICANS ESTABLISHED THE GUERRILLAS' TRAINING REGIME, AND ARMING THE CONTRAS WAS EASY; THE MASSIVE AMERICAN BUILDUP OF THE HONDURAN MILITARY FREEZE OLDER HONDURAN EQUIPMENT, WHICH WAS SHIPPED OFF TO COUNTRY-REVOLUTIONARY BASES. THE AMERICANS WERE SOON TREATING THE THIN LINE BETWEEN INSTRUCTING INSURGENTS AND FLEETING THE MISSIONS THEY WERE BEING TRAINED FOR. THOUGH AMERICANS ARE EXPRESSLY FORBIDDEN TO GO OUT ON OPERATIONS, ONE VETERAN OF OTHER PARAMILITARY OPERATIONS SAID: "INEVITABLY THAT HAPPENS....

NEGROPONTE INSISTS THAT HIS STRATEGY PRECISELY FOLLOWS WASHINGTON'S ORDERS. BUT OTHER SOURCES CLAIM THAT NEGROPONTE CENSORS EMBASSY CABLES SO THAT WASHINGTON WILL ONLY KNOW WHAT HE WANTS TO KNOW, AND THAT HE SEEMS TO OPERATE WITH LITTLE INTERFERENCE OR SECOND-GUESSING FROM SUPERIORS. THE HONDURAS THEMSELVES FEAR THAT THEIR COUNTRY MIGHT

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SLIP INTO THE CENTRAL AMERICAN LINE OF FIRE. IN SEPTEMBER HONDURAN LEFTIST GUERRILLAS TOOK MORE THAN 100 BUSINESSMEN AND OFFICIALS HOSTAGE FOR EIGHT DAYS IN SAN PEDRO SULA. ...

ANY MORE VIOLENCE COULD TOUCH OFF A CONFRONTATION OVER SECURITY MEASURES BETWEEN GENERAL ALVAREZ AND THE STILL UN-STEADY CIVILIAN GOVERNMENT. ...

THE OPERATION HAS STIRRED UP ITS INTENDED TARGET AS WELL. THE SANDINISTAS HAVE USED THE CONTRA ATTACKS AS AN EXCUSE TO SPEND AN ESTIMATED 125 MILLION DOLLARS ON DEFENSE THIS YEAR, BEEFING UP THE ARMY AND CIVILIAN MILITIA WHILE ATTACKING WHAT REMAINS OF A FREE PRESS AND PRIVATE BUSINESS. BUT SANDINISTA REPRESSION HAS NOT LED TO A NOTICEABLE UPSURGE OF ANTI-SANDINISTA ACTIVITY INSIDE THE COUNTRY...

'TERRIFIED': BUT OTHER AMERICAN OFFICIALS SEE LIGHT AT THE END OF THE TUNNEL. THE SANDINISTA LEADERS ARE "TERRIFIED TO THEIR MARXIST CORES," SAYS ONE. THEY HAVE MADE THEIR FIRST ATTEMPTS IN MONTHS TO TRY TO RE-ESTABLISH COMMUNICATION WITH THE PRIVATE SECTOR- AND WITH THE UNITED STATES....

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