FOLLOWING FS MATERIAL NOT FOR PUBLICATION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

OFFICIAL SOURCES TOLD NEWSWEEK LAST WEEK THAT NEGRON-
FONTE IS OVERSEEING AN AMBITIOUS COVERT CAMPAIGN TO ARM,
TRAIN AND DIRECT-PLANE FROM EL SALVADOR TO LEFTIST GUERRILLAS IN EL SALVADOR. BUT THE OPERATION HAS
ANOTHER OBJECTIVE: TO PARASIS AND UNDERMINE THE CUBAN-SACKED
GOVERNMENT OF NICARAGUA. THE PROJECT TRACES BACK TO JIMMY
CARTER'S EFFORTS TO SUPPORT NICARAGUAN NATIONALS. ROYAL REAGAN
ADDED THE TASK OF CUTTING THE CUBAN-NICARAGUAN ARMS PIPELINE
TO EL SALVADOR, THE PLOT, LAUNCHED MOSTLY WITH FUNDING AND
MACHINE, NOW THREATENS INSTEAD TO ESTABLISH FONTE'S, TO
FORTIFY THE MARIANAS IN NICARAGUA AND TO INCREASE AMERICA'S
AUGMENT TO THE TANGLED BANKS OF THE COCO RIVER. WORSE, U.S.
OFFICIALS CONCLUDE THERE IS A DANGER THAT THE OPERATION COULD
PROVOKE A NICARAGUAN COUNTERATTACK ON HONDURAS THAT WOULD
DRAG THE UNITED STATES DIRECTLY INTO THE CONFLICT. "THIS IS
THE BIG FIASCO OF THIS ADMINISTRATION," SAYS ONE U.S. OFFICIAL.
"THIS IS OUR EAT OF PIES.
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
BEYOND WASHINGTON'S ORIGINAL INTENTIONS. ADMINISTRATION
SOURCES TOLD NEWSWEEK THAT WILLIAM SyD "CIA PERSONNEL SERVING IN HONDURAS -- CERTAINLY THE LONGEST
MANIFEST IN CENTRAL AMERICA. THAT TEAM IS SUPPLEMENTED BY A
INCREASING NUMBER OF OPERATIVES IN NICARAGUA, INCLUDING A NUMBER OF RETIRED MILITARY
AND INTELLIGENCE OFFICERS. ARGENTINE MILITARY ADVISERS ARE
SUPPORTING THE OPERATIONS IN HONDURAS; SEPARATE ANTI-SANDINISTA
ACTIVITIES ARE UNDERWAY IN MEXICO AND VENEZUELA.

THE FIGHTING FORCES ARE DRAFTHED FROM THE DISKOTI INDIANS, AN ESTIMATED 10,000 ANTI-SANDINISTAS IN NICARAGUA
ITSELF AN ARMED GROUP OF FORMER NICARAGUAN NATIONAL
GUARDSMEN AND SUPPORTERS OF DEPOSED DICTATOR ANASTASIO Somoza.
THEY HAVE LAST UP TO 12 TRAINING CAMPS DIVIDED BETWEEN HONDURAN
AND NICARAGUAN TERRITORY. THEIR KIT-AND-RUN FORAYS AGAINST
NICARAGUAN BRIDGES, CONSTRUCTION-SITES AND PATROLS ARE
DESIGNED TO HARASS THE SANDINISTAS WHILE CIA OPERATIVES CAST
AROUND FOR A MODERATE NICARAGUAN LEADERSHIP
AMONG OTHERS, THE UNITED STATES TRIED TO CULTIVATE DEW
PASTORA-- THE FORMER SANDINISTA HERO COMMANDER ZASquare --
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, "SAYS ONE ASSEMBLIE. "IF HE
WANTED TO DYES, HE WOULD KILL HIM, "

THE-operation posed some very disturbing questions: DO
IT VIOLATE THE SPIRIT IF NOT THE LETTER OF CONGRESSIONAL
RESTRICTIONS ON DIRTY TRICKS? OUR WORD OF SITUATION IN CENTRAL AMERICA EVEN WORSEST; A CONGRESSIONAL
SPEAKERS HENRY WILLIAM CASEY WHO PERSONALLY INSPECTED THE DEPORTATION IN HONDURAS) HAD HERETIC
BRIEFED CONGRESSIONAL OVERSIGHT COMMITTEES. NO OFFICIALS COMPLAINED THAT THE "CIA'S BRIEFINGS HAD
BEEN BLIND AND DISINGENUOUS, AND OTHERS WONDERS POINTEDLY
WHETHER THE ADMINISTRATION HAD USED APPROVAL FOR PLANS TO CUT
OFF THE FLOW OF CUBAN ARMS TO NICARAGUA AS A COVER
FOR A MORE RECKLESS PLOT TO TOPPLE THE SANDINISTAS. THIS
OPERATION'S JUST ABOUT OUT OF CONTROL AND PEOPLE ARE
GETTING PANSY," SAID ONE SOURCE. AS 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 1976,
WITH THE DYNASTY ROSSING COLLAPSE, JIMMY CARTER ORDERED A
"FINDING," AS REQUIRED BY POST-WAR SANTER LAW, AUTHORIZING
UNDER-THE-TABLE CIA SUPPORT FOR DEMOCRATIC GROUPS 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
ST 
#1734
A PLATFORM FOR CUBAN-SURROUNDED SUBVERSION....

"THE PRIMING FORCES REMAIN THIS UPSTIRCH WERE HAIG AND ENSERU1," SAID ONE INSIDER. "BOTH THE AGENCY AND THE PLANT WERE MAC QUALUS."

LAST WEEK BEALE HAH THOEG HIS OWN 'TUNING,' EXPANDING ON CARTER'S AIP AUTHORIZING THE CIA TO CONTACT DISSIDENT NICARAGUANS IN EXILE AND TO CONDUCT POLITICAL AND PARAMILITARY OPERATIONS TO INTERCEPT WEAPONS SHIPMENTS FROM NICARAGUA TO SALVADORAN GUEVARISTS. THEIR ACTING COST. IT WAS THE PLAN HAS TO CREATE A 350-AK, U.S. TRAINED PARAFINITE FORCE AT A COST OF 12.9 MILLION DOLLARS.

ARGENTINA WOULD TRAIN AN ADDITIONAL 1,500 MEN FORCE.

AEGERPETTONE FORCE COULD FUSE WITH POWERFUL HONDURANS ESPECIALLY THE COMMANDER OF THE ARKES FORCES, SER. OSUIGU ALEUDEO ALVARADE, WHO IS STILL THE MOST POWERFUL HONDURAN IN THE COUNTRY DESPITE THE SEIZUR OF HIS PERSONAL PROPERTY IN JANUARY OF FLEET. ENGAGE MOC CIVILS, THE FIFTH IN ONE YEAR. "THERE THIS DISCUP IS NUT A HARA AND THEN ALVARADE DOES WHAT HAS YIELD IT MILL OH TO," A MEMBER OF THE MILITARY HIGH COMMAND SAYS JAIER "UP-TO-THE-..." HONDURAS, ALVARADE HAS BEGUN TO COOPERATE IN THE PAST TWO YEARS, TOTAL U.S. ASSISTANCE TO HONDURAS HAS TOTALS 1.7 MILLION DOLLARS, A 75.1 MILLION DOLLARS AID PACKAGE HAS BEEN PROPOSED FOR 1983.

"IT SEEMS CLEAR THAT CUTTING THE ROADS FROM NICARAGUA 'SNT ENOUGH,'" SAID ONE SOURCE. "IT WAS NECESSARY TO RAISE THE COST TO THE SANDINISTAS AND THE CIVILIAN OF HONDURANS IN ELSA-

PROBLEMS THAT MEANT AT THE LEAST, CROSS-BORDER HARRASS-

MENT AND THAT TO, PROVES HERE DIFFICULT THAN WASHINGTON PLANNED.

MEGAPONTONE UNDER PRESSURE FROM HAIG AND ENSERU TO PRO-

TUDGE SOME SUCCESS AGAINST THE SANDINISTA TURF TO THE ONLY

PROVING GROUP AVAILABLE-THE BOCOCHESTAS. SUPPORT INSIDE 


EVIL ALTERNATIVE."

AFTER MEGAPONTONE AND THE BOCOCHESTAS BECAME PARTNER, 

THE NEW AMERICAN ALLIES BEGAN TO FORCE WASHINGTON'S HAND. 

THE BOCOCHESTAS BIVOUACKED IN HONDURAS WERE ALREADY TRAINED 

ON UNIONS ORDERED BY WEALTHY EXILES WORKED OUT IN MEXICO CITY, THE AIDED 

BOOST TO TACIT U.S. SUPPORT, THEY TOOK A COMMANDING PO-

AITION AMONG COMPETING CONTRA GROUPS. THEY ALSO DEVELOPED THEIR OWN PRIVATE PACIFIC WUEN TO MOVE THE CONTRA CAUSE THAT

REMAIN IN HONDURAS ACROSS THE BORDER INTO NICARAGUA, THEN MOVE

THE CARPET ALREADY ESTABLISHED IN NICARAGUA. FARTHER DOWN

TOWARD MANAGUA AND PAST WORK THE CAPITAL INTO THE SOUTH. 

WHEN THE TIME IS RIGHT, THE BODIES TELL, THEY WILL DRAW 

THEIR LOOSE CIRCLE OF CARPET TOGETHER IN TOWARD MANAGUA

AND FORCE THE SANDINISTAS OUT, AND THEN COME THE COUNTERREVOLU-

TION, 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 AT WASHINGTON EITHER FOR A DEEPER CONTRA INVASION OR 

FOR A BURGER WARE BETWEEN NICARAGUA AND HONDURAS ...

ALTHOUGH THE REAGAN ADMINISTRATION AND THE BOCOCHESTAS

DISAGREED ON STRATEGY, U.S. INVOVEMENT HAS ESCALATED. WHEN EQUIPMENT-HELICOPTERS AND RADIOS FOR EXAMPLE

BREAKS DOWN, AMERICANS REPAIR IT. AMERICANS ESTABLISHED THE

GUEVARA'S TRAINING CENTER, AND ARMED THE CONTRAS HAS EASY;

THE CA'S AMERICAN BUILDUP OF THE HONDURAN MILITARY FREEZ

OLDER HOJICAN EQUIPMENT, WHICH WAS SHIPPED OFF TO COUNTRY-

REVOLUTIONARIES BASES. THE AMERICANS WERE ENGINEERING THE

THIN LINE BETWEEN INSTRUCTING INSURGENTS AND PLANTING THE

MISSILES THEY WERE USING TRAINED FOR. THOUGH AMERICANS ARE

EXPRESSLY FORCED TO GO OUT ON OPERATIONS, ONE VETERAN OF

OTHER PARAFINITE OPERATIONS SAID 'INEVITABLY WHAT HAPPENS....'

THEY INSIST THAT THE U.S. GOVERNMENT BE FORCED TO FOLLOW ITS

WASHINGTO'S ORDERS, SLT OTHER SOURCES CLAIM THAT MEGAPONTO

CENSORS EMASAY CALLS IS THAT WASHINGTON SELL ONLY WHAT 

HE WANTS TO KNOW. AND THAT HE SEEMS TO OPERATE WITH LIT

TITTLE TIRENESS OR BACO-QUELING FROM INSIDE ...

HONDURANS THEMSELVES FEAR THAT THEIR COUNTRY MIGHT
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 UNSTEADY 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 REPRESSSION 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....

(END TEXT)

(PRECEDING FS MATERIAL NOT FOR PUBLICATION)