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Directorate of Intelligence
Office of African and Latin American Analysis

22 February 1984

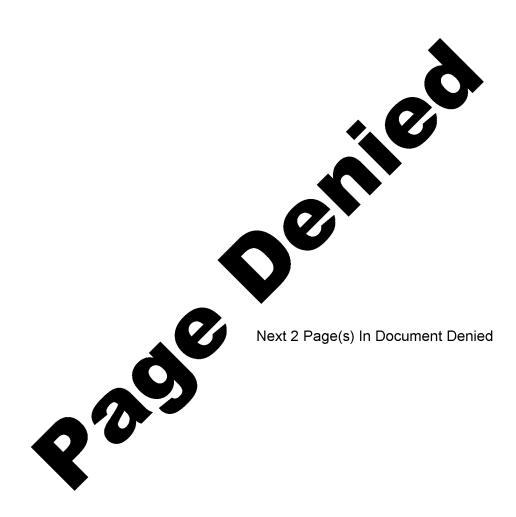
NOTE FOR: Deputy Director for Intelligence

Today's <u>Wall Street Journal</u> contains an editorial written by Congressman Boland. That editorial, in correcting an error contained in an earlier editorial on El Salvador, discusses the House Intelligence Committee study of the D'Aubuisson documents and the Intelligence Committee's analysis and collection efforts. John McMahon expects to be asked about Boland's article during tommorrow's hearing. We were asked to provide any comments that might be helpful. Attached is a memorandum for your signature to the DDCI.

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Acting Director African and Latin American Analysis

Attachment: As stated



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MEMORANI				for Intel			
FROM:		Executive	e Assist	ant to the	e DDCI		
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certainly hate to see an unworkable, unre-

Rep. Kemp needs to clarify the roles of Congress and the Fed in relation to the economy. A more appropriate analogy for Volcker's role is that he is a referee, aware of how the game is to be played and enforcing the necessary rules to insure a well-played match. But the coaches who call the plays and determine which direction the economy is going are in the Oval Office and in Congress. And they, not the Fed, determine whether the game is won or lost over the long term.

Atlanta

MIKE CALLAHAN

Jack Kemp was astute in his observation that the economy is indeed slowing down and will probably continue to slow even more in the near future, especially with interest rates at these levels. Perhaps it was a small oversight (Republicans seem to be developing them lately) on Mr. Kemp's part in forgetting to mention anything about the Federal deficit.

deficit being a dominating negative term on the latter side. The high interest rates are just the market reaction to this imbaiance, and if Fed tries to intervene by printing more money it can only be done at the cost of a future increase in inflation.

Mr. Kemp writes "Congress is constitutionally authorized to coin money and regulate its value." I thought this authorization was to have the Fed maintaining the value of the money and not tw'"regulate" it to achieve other goals, freeing Congress to neglect its primary duty to balance its own budget. It is ironic that a member of Congress doesn't even mention the budget deficit and its consequences on credit market and interest rates.

UNO LAMM

Hillsborough, Calif.

I have but one question to ask Congressman Kemp: Mr. Congressman, what do you and your colleagues plan to do to bring some balance to our unbalanced budget? And I don't expect an answer to raise taxes! Let's focus on the real problem.

The Fed has operated independently of Fort Lauderdale, Fla.

Wall Strut Journal, 22 Fik 84

Toward Smarter Use of Intelligence

Your Feb. 1 editorial on El Salvador, "Trial by Ballot," erroneously states that: "The House Intelligence Committee studied the matter (D'Aubuisson's documents) and found no evidence to sustain a conclusion that Mr. D'Aubuisson had Archbishop Romero killed." The House Committee's staff report made no judgments on the innocence or guilt of Mr. D'Aubuisson or anyone else. The report examined the intelligence process and how certain issues such as the D'Aubuisson documents, Archbishop Romero's assassination and rightist violence were treated by the intelligence community.

What the report did say was: "During the two years since their capture, these documents had been virtually ignored, not only by policymakers who felt they had no immediate use for them, but more importantly, by the Intelligence Community. They did not receive the kind of routine intelligence evaluation given to a large number of the Salvadoran guerrilla documents captured later that year . . .

The staff report examined the Archbishop Romero assassination from the standpoint of how it was treated in finished intelligence analysis. The report noted the dearth of hard data and systematic analysis and that the references in intelligence to the Romero killing had been quite incon-

sistent: "Intelligence analysts apparently had not systematically retained and correlated the data about killings and bombings that were publicly available and pertinent intelligence collection had not been made.

That the September 1982 staff report remains topical is reflected in the following judgment: ". . . collection weaknesses in the cases cited suggest that determining the perpetrators and any others responsible for authorizing specific instances of rightist terror has not been considered a suitable task for intelligence. Without deliberate collection by all appropriate means and without systematic correlation of available data about specific terrorist incidents, firm judgments about their significance politically or in terms of the accountability of particular security forces or individuals have been difficult.

Recent initiatives by the Administration to curb rightist violence in El Salvador were made possible by improvements in intelligence analysis and collection, improvements which the report urged in September, 1982.

> EDWARD P. BOLAND (D., MASS.) Chairman Intelligence Committee House of Representatives

Washington

Mule Users Have No Kick Coming

I have just read the Feb. 9 page-one article by Robert Johnson on mules. I can attest first hand to his description of what a mule can do.

I served during World War II with the 124th Cavalry in Burma. We used mules to carry all our supplies, ammunition and weapons. We walked and fought from Myitkyina in northern Burma to Lashio in Central Burma in places where a Jeep or any other mechanized vehicle would not dare to tread. We traversed mountains, valleys, rivers, rice paddies, got caught in

them bamboo shoots and other forage. They existed nicely on very little food and some water. As much as I hated them, in the situation we were in, if it had not been for the mules, I don't think we would have been able to survive against the Japan-

Mr. Johnson portrayed the mule most accurately and I enjoyed reading the arti-

Joseph H. Mann Jr.

Albany, N.Y.

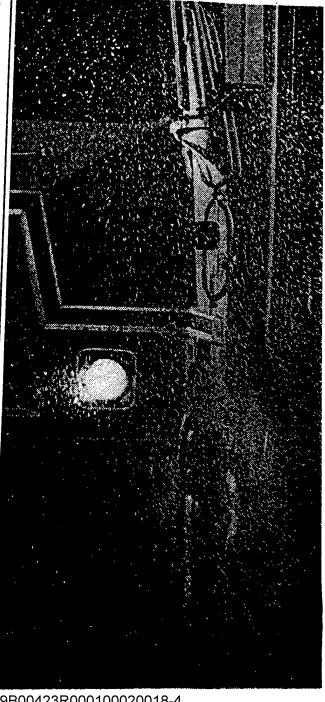
nerently flawed. In the light of this view, the history of the subsequent decade has been ironically instructive.

The initial trend after the Conservative defeat in 1974 was predictable. The Labor Party in effect made a deal with the tradeunion leadership. This deal produced three major acts of Parliament, the most controversial aspect of which was the closed-shop provision that made it legal to fire an employee who refused to join a union. This was subsequently overturned by the European Court of Justice.

The most notable aspect of this legislative mess of pottage was that it bought no industrial peace. The public-sector unions were a continual thorn in the side of the government, with strikes by firemen, hospital auxiliary staff and a number of local authority workers. This culminated in what became known as the "winter of discontent" of 1978-79, an awful winter of apparently endless problems. In conjunction with television coverage of violent picket

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