

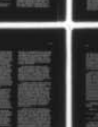
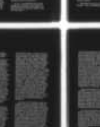
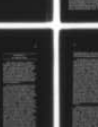
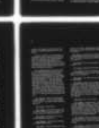
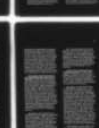
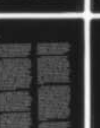
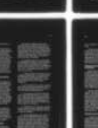
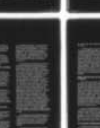
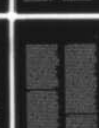
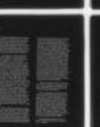
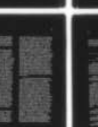
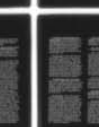
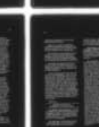
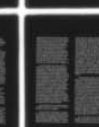
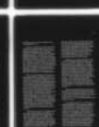
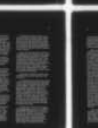
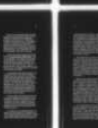
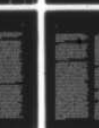
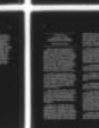
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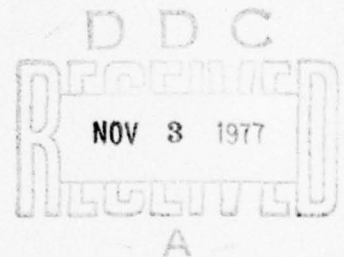
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Mr. Dean C. Richardson



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## "THE MARITIME CHALLENGE"

Capt. Warren G. Cormier  
U. S. Naval Reserve, San Diego, California  
Naval Academy Information Officer

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Pentagon leaders, in their reports to various committees of Congress on fiscal '77 defense budget requirements, stated that the USSR last year built four times as many tanks, more than twice as many planes, four times as many missiles, and three times as many warships as did the U. S. Moreover, these Soviet tanks, planes, missiles, and ships are considered by us and the NATO powers as being equal or superior in quality to the weapons with which our Navy, Army, and Air Force are equipped. This is because Soviet weapons were designed and developed later than most of our systems and they were able to incorporate the latest Russian and American technological advances. Russian weapons technology also benefited from the fact that the Soviets have been spending more time, effort and money than the U. S. during the last decade on research and development, including the education of twice as many scientists and engineers.

I believe that there is increasing evidence that Americans are becoming more concerned about national security as they realize more clearly what the size and nature of the total Russian threat means to our country. And Americans are not being deceived by those members of Congress who keep knocking and tearing down our military. Americans now understand the hard factual data that shows that a relative comparison of U. S. and Soviet strength in men, tanks, missiles, ships, and planes finds the U. S. in second place, period.

Now to focus on the Russian maritime challenge... a challenge that is being made by the world's greatest land power against the world's greatest sea power for control of the oceans of the world. The U. S. is the largest consumer of resources in the history of the world. Our complex and dynamic

industrial system depends upon waterborne commerce to bring to our shores from around the world the many products not available in sufficient quantity without our fifty states.

If I have a message for you today, it is this: At the very time we are becoming more and more dependent upon free ocean use, the Soviet Union has been building a most formidable naval and maritime strength. It is ironic that while 90 percent of American sea-borne trade moves in foreign flag ships, the vast majority of Soviet cargoes move in their bottoms... and they are still out-building us three to one.

They are the world's greatest land power, self sufficient in the resources they need... yet they train ten times the number of marine architects and naval engineers that we do. Our own sea heritage tells us that naval strength is the indispensable corollary to ocean borne commerce. The rapidly growing Soviet Navy is flexing muscles in seas traditionally the domain of the West. U. S. nuclear submarine numerical superiority was overtaken in 1971. With the exception of the aircraft carrier, the total balance of the sea in terms of numbers favors the Soviet Union. In the Mediterranean, Soviet naval determination to exert political and military influence has been apparent since the Cyprus crisis of 1964. It has been a show of real sea-going strength since the Arab-Israeli War of 1967. Their ultra-modern ships constantly overlook the approaches to Cuba, the Gulf of Mexico and the Panama Canal... A permanent force is stationed off West Africa and they have a small Indian Ocean force which can be quickly augmented from the massive Black Sea Fleet via the Suez Canal or from around Africa. Much of the credit for Soviet naval and maritime expansion belongs to Admiral Sergei Gorshkov, a brilliant naval officer who became an admiral in 1941. Under Admiral Gorshkov's direction, a Soviet Navy which had been previously designed for operation in coastal waters in a defense mode, began in the 1960's to emerge as a world open-ocean force of the most modern variety.



Since 1960, the Soviets have introduced many new classes of submarines (7 within the past 10 years), ten new classes of surface combatants, eleven classes of minor combatants, and a number of specialized aircraft. Altogether, 50 percent more major surface warships and submarines were introduced into the Soviet Navy than in the U. S. Navy.

Any doubts or skepticism about the Soviet Union's intention to be number one on the seas of the world was erased by the most spectacular of all in a spectacular shipbuilding program. It was the launching of their first aircraft carrier, and the largest warship ever built in the Soviet Union. It is fitted with an angled deck and operates both short takeoff aircraft and choppers. At least two more of these 40,000 ton carriers are under construction. We know that they are planning to build more carriers with catapults.

Since 1960 the Soviets have outbuilt the U. S. in numbers of ships in every category except aircraft carriers. Today the total Russian Fleet, which includes major surface combatants, minor combatants, submarines, amphibious warfare vessels and support crafts, numbers some 2300 units as compared to a U. S. Fleet which totals some 500 or fewer units.

Now numbers and comparisons (and this you'll agree) can be extremely dangerous because how can a 90,000 ton U. S. Carrier be compared to a 180 ton Soviet minor combatant. Yet the 150 small guided-missile-firing boats in the Soviet inventory must not be ignored because of their size. The Osa and Komar boats are formidable combatants. . . an 80-ton Egyptian Komar sunk the 2,500-ton Israeli destroyer in 1967, and the operations of the Indian Osa's in the war with Pakistan in 1971 were very successful. The small 800-ton guided missile patrol craft of the Nanuchka Class carries two triple launching SS9--surface-to-surface missiles--which are the same size missiles fired by the 4000 ton Krivak Class

destroyer, which is the most heavily armed destroyer in the world.

In addition to the large deficiencies in fleet numbers, there are other areas in which the USSR is either challenging the U. S. or has surpassed the U. S. For example, the Soviet ship-killer cruise missile capability is about 15 years ahead of our efforts. Their Kashin Missile Frigate appeared in 1962 and was the world's first major combatant propelled by gas turbine engines. Our own Navy got its first gas turbine destroyer in 1974, some 12 years after the Russians. Those of you who have followed the sea know the advantages of gas turbine propulsion systems. They are fast starts from a cold plant, rapid acceleration, high speeds and ease of maintenance and engine replacement.

The Soviet submarine force entered the nuclear age in 1960 when the first November Class atomic sub became operational. This attack submarine, of which about 15 were built, was soon followed by two classes of missile firing submarines. . . Hotel and Echo. A total of about 40 of these boats were built. By 1966, they had solved most of the serious nuclear propulsion problems and a second generation of nuclear submarine appeared. Some were armed with 16 nuclear-tipped missiles that have a range of 1,300 n. m. Within the past few years, a newer ballistic missile submarine has appeared which is called a Delta Class. The Delta Class was the largest undersea craft ever built (papa). We think that she is armed with 12 of the awesome SS-N-8 missiles which have an average of approximately 4,000 n. m. range which could hit any target within the U. S. from either the Atlantic or Pacific Oceans, or could target the city of San Francisco while still in port at Petropavlovsk.

The impressive Soviet naval and warship arsenal is accentuated by its newness and by the unmistakable intent of the Soviet Union to use it. The fact that they are going to use it is underscored by their construction of new support ships and equally fast

auxiliaries. These support ships will keep the warships refueled, replenished, and in some cases repaired, wherever the warships may be on the world ocean. The Soviets are after more than a Naval arsenal. They are after a total sea power of which the navy and warships are only a component part. The full picture includes the commercial shipping, oceanographic research and the gathering of intelligence by all the sea power components.

Many ports in North Africa, the Middle East, and the Indian Ocean regularly see the Hammer and Sickle above merchant ships. At its present heading, the vast Russian almost land-locked nation will have the world's largest merchant marine in a very few short years. It will have the newest and also the most modern. An ominous note in their planning is that much of their merchant tonnage is built in foreign shipyards, leaving their own resources available for the production of warships. We also have to be concerned about the rapid growth of the Soviet high seas fishing fleet. Modern, fast and well equipped fleets of ocean fishing craft are accompanied by floating fish canneries and factories which deliver completely packaged goods to their destination. The Soviet fishing fleet operate off our own Atlantic and Pacific coasts as well as in waters in the South Atlantic, the South Pacific and the Indian Ocean . . . and on occasion, in the Gulf of Mexico. The Soviets harvest three times the U. S. annual catch. In fact, only Japan and Peru take more fish from the sea than Russia.

In oceanographic research, which is really the fundamental building block for sea power, the Soviets have been very busy. Like merchant shipping and fishing, their presence has far reaching military implications because of the information they gather. They have approximately 150 ocean research ships of the fairly legitimate kind, that is, they are actually doing research work. But in addition, there are about 50 intelligence gathering ships built from the keel up for that purpose. These ships are crammed with the most sophisticated

electronics and communications gear. The Soviet trawler "Vega" was off Long Island in 1960 when the George Washington first tested the Polaris Missile system. The research ship Laptev was off Cape Kennedy in 1970 when the James Madison first tested the first Poseidon system. The Soviets in recent years have shown a remarkable degree of confidence. Why? Well, they have achieved parity in strategic weapons systems, they have been in space, and today they have the world's largest land, air and sea forces.

There can be no doubt that attainment of the capability to deploy its fleet quickly and effectively is the prime Soviet intent. The Soviet Union has neutralized the American doctrine of passive deterrence, of a retaliatory strike: for 15 or more years we have firmly believed that we could deter nuclear war through our ability to inflict massive punishment on the Soviet Union and against her population if she struck the first blow against us. America's hopes for averting nuclear war through the ability to strike back quickly and effectively is no longer a valid concept. Why do I say this? I say it because the Soviet Union has made complete preparations for nuclear war and have reached a point where they know how to survive a nuclear attack . . . of any magnitude.

Russia has spent over \$25 billion during the past few years to harden her communications, and military command and control posts. And when I say hard, I mean hard . . . 2,000 pounds per square inch, the hardest man-made structures in the world today. The Soviets have dispersed their industrial resources underground. In fact, some of their underground factories contain 10 billion square feet of plant space. They have built these factories generally undetected and everything is hardened against nuclear attack. The Soviets have stored huge quantities of machine tools and other supplies that would be needed after a massive nuclear attack. They engage in extensive civil defense training and that training has been focused upon those elements of their population that they know are essential to their survival.

What about our capability to defend the U. S. against nuclear attack? If the Soviets were to launch an all-out nuclear attack against the United States, the death toll of this country would exceed 100 million people. In signing the SALT 1 agreements the U. S. adopted the incredible Mutual Assured Destruction theory (MAD) and we agreed not to defend our civilian population. This is why all surface-to-air missiles in the U. S. were dismantled.

At the present time, both the U. S. and the Soviets are at a nuclear stand-off in regard to a "D" Day shoot-out capability. But the possibility exists that a Soviet reserve second, third or fourth strike capability may be at hand sooner than we realize. When that happens the people of the U. S. may measure longevity from the very moment that we are alerted that a nuclear attack has been mounted against us.



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# KEYNOTE LUNCHEON ADDRESS

By

Mr. Gerald L. Warren  
Editor, San Diego Union

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Mr. Gerald L. Warren, editor, San Diego Union:

I'm delighted to be here. I'd like to welcome you all to the putative site of the 1972 Republican Convention and as a sometime and now permanent resident, I am delighted it was not held here. We have an island out in Mission Bay called Fiesta Island that was to be the encampment for the demonstrators during the 1972 National Convention. The only way they could get to the Sports Arena, the proposed convention site, was to swim and I guess the feeling was that their long hair would impede their progress and they would never make it. I'm glad it was not put to the test.

I explained a little bit about this organization to my wife this morning and told her that I was going to speak to you briefly. When she found out that there would be representatives from Martin Marietta, Northrup, Hughes and all the other companies, she wanted me to say hello to certain delegates. She also reminded me that I'm no longer a government official. I'm now a newspaper editor and, fortunately, newspapers are not yet fully regulated by the federal government. She suggested if anyone invited me to go duck hunting on the Eastern shore, for God's sake--I wouldn't have to go publicly. I'll accept. During all of my years in Washington, I think the closest thing I came to committing a conflict of interest was playing backgammon all night with George Bunker's wife, Natalie, and then having George cook breakfast for me. It was delightful. Thus, a salute to that dear man and Martin Marietta.

I'm so excited and delighted about the success of the Viking mission. I think that it's a great thing for this nation, and if it

weren't for people such as yourselves, and others like you, and the security that we have been able to maintain over the years, we would not have done it. I am really pleased and proud to be an American. And once I get into this little chat of mine, I'm going to be talking about our responsibilities, not only as industry and government representatives, but as American citizens.

Before I do, I must warn you, and to do that I will recite a letter that I just received a couple months ago from a lady here in San Diego. She said: "Mr. Warren, you have been both a government official and a newspaperman. That makes you doubly hard to believe." Please bear that in mind. We do have dual roles to play, all of us. Sometimes we are doubly hard to believe. I'm asked often whether or not I'm going to write a book and I always say, "Yes, after other books have been written."

There are three real things that have to happen. Other books have to be written first, so I don't have to attempt to write a "who-shot-John" book. The obscenity laws have to be changed a little bit so I can say what I really believe. And certainly, the archives have to be opened up for those Nixon papers, so I can get about fifteen file boxes out of wherever they are to find out if it really happened the way I think it happened. I trust, Alan, that that will take place sooner or later. Maybe we will have to change Congress a little bit more than we have or we are going to this year. I trust that will happen.

I just returned from the Democratic National Convention in New York City and I must tell you that it was a great experience for me. I met a lot of old friends, all of whom were very skeptical of my being there--wondering what a Republican was doing at a Democratic Convention. I had to remind them that I was a working journalist for a newspaper out here of general circulation.

Well, I was fortunate while I was in New York to be on the panel of "Meet the Press," which consisted of three editors and

Larry Spivak, the former permanent moderator of that program. We interviewed the then presumptive Democratic nominee, Jimmy Carter. I don't know if any of you saw that, but candidate-to-be Carter expanded a little bit more on his proposals for the Sunshine Laws than he had in the past. He went so far as to say that the discussions between the President and Congress should be opened up to the public and to the Press. He said, "Of course, when you're in the decision-making process, you have to have a little secrecy, but not very much, and other things should be opened up." As politely as I could, I tried to remind him that other presidents had said this same thing in the past: It's surprising how long that decision-making process lasts because all meetings eventually are closed. He said it wasn't going to happen in his administration.

Well, as an editor, I applaud that. As an editor, I'd like to sit in on every meeting any President has with a member of Congress. I'd like to sit in on the National Security Council meetings, and every other meeting. But as an American citizen, I would be fearful of what would happen if that were the case. So, when we view these things, we must view them in that regard. I have been asked often since I've become an editor what I would have done if someone had presented me with the Pentagon Papers. I quite honestly say that if the conditions in the world were the same as they were then, I would not have published them. If the conditions in the world were as they are now, I would quickly publish them, as quickly as I could, because I feel that history would be served by it. While we were in a war, whether we called it a war or not, and while we had sensitive operations underway, and while we had people who might be harmed by the disclosure of that information, as an editor, I would want to have published them, as an American citizen, I would not have published them.

I'm also asked what I would do if Bill Colby would come to me and say, "We have this operation that you know about--your reporter has the story--about the Glomar

Explorer going out after the Soviet submarine, and I want you to hold that story. I don't want you to run it, and this is why: It's in the national interest that you hold publication of that story until we make another try. The nation's interest will be served if we could get the rest of that thing up." I would have withheld publication. I think there is a partner relationship here and an editor does not abrogate his responsibility to inform his citizens and his readers by cooperating with duly authorized and competent representatives of the government. Perhaps I feel more strongly about this than some editors because I served in Washington for six and a half years. I'm not sure about that. But, I will tell you, most of you know this, that some very respected newspapers did withhold publication of that story and I think they are to be applauded for doing so.

The third question that I am often asked has to do with Dan Schorr and whether I would have published the leak of the Committee reports. Well, I would not have done that. In the first place, there wasn't that much new in it. The "Village Voice" is the only place it might have been considered news. Secondly, I think it is a violation of the law to publish such material, because there was information in that report that had to do with our security communications systems. I can't give you the laws, the legal citations. I'm sure many people here can. But, in my view, such disclosure is against the law and I don't think any editor has the right or the power to break the law in the guise of freedom of information. Obviously, there's a double standard. There's a double standard in Washington. I felt it very strongly when we were "hunkered down" in the White House (to cite L. B. J.'s classic phrase). There was a feeling that everyone was against us. Well, you know why, now. But I'm suggesting now that there are problems in the Congress. My colleagues in the press, I feel strongly, have been late in reporting on the Congress of the United States. I think, the Congress should indeed represent the citizens of the United States and we all know that is not the case in every



four hundred and thirty-five seats in the House of Representatives; we'll get to the Senate later, now we're operating on the House of Representatives. There needs to be a single standard, it seems to me, and especially in the area in which you are expert. I firmly support the President's proposal on intelligence gathering oversight although there can be some corrections to it. I'm sure there are some things in there that you people do not support. Nevertheless, I think corrections are necessary and helpful. One thing I do support is a joint oversight committee in the Congress, instead of a proliferation of committees looking at this information. It's not totally because I don't trust the Congress, that's part of it, but I think it is time for a partnership between the Congress and the Executive branch in this field. And if you have a reputable oversight committee, then I think you will probably have less leakage. You'll never wipe it out in Washington. It never has been wiped out in Washington. It will always be there. But, what I call mischievous leaking will stop when a worker in the Defense Department or the CIA has something that he feels is clearly wrong and clearly illegal, and he cannot redress it within his own agency, he will be able to go to a responsible committee of the Congress and suffer no retribution. The same thing would happen in the Executive branch. Maybe that is a utopian dream. I don't know. I don't think so. I think it's time for this country to stop mistrusting everybody. I think it's time for us to start being proud of bureaucrats and being proud of politicians and that has to start with the grass roots. Really, that's one of the reasons that I came back to San Diego. I think there's more to be done in this corner of this world, this corner of the nation, to restore confidence in people and confidence in politicians, than perhaps anyplace else because we are in a period of growth here. This really is a delightful place. I hope the sun comes out before Thursday when you people leave. I think it will. But, I think, mutual trust is essential. You people possibly know what I'm talking about because you have a true partnership. You in industry have a true

partnership with the government, and the government has a true partnership with you. And maybe, when we restore trust and we trust ourselves, the government and industry again will be able to go out to lunch together. This would help you and it would help government and it would help politicians, I'm sure. At least, let's hope so.

I think the politics of the future may redress this, if there is a healthy combination of peace and love and fiscal integrity. Having just left the Democrats in New York, this may appear to be a partisan comment. The peace and love promised in New York is going to cost us a hell of a lot of money, I'm afraid, and some of it is going to come out of the Defense Department. It may not reach you, Captain. We're really aiming at the admirals. Right now, there are too darn many admirals, and there are too many bases overseas. But this is negulous, vague. You know, those of you who have watched Washington over the years, the vague rhetoric of political campaigns sometimes is not translated into practice. I think it will be very interesting to see how this ends up. But, I do believe the unity of the Democratic Party is helpful.

If the Republicans can be just half as unified after Kansas City, we might have quite a classic campaign on our hands this year. And if we have a classic campaign on our hands, maybe we can have some honest dialogue, free of recrimination, and, really for the first time in a number of years, perhaps this nation can make a decision on its next President, which will respect some honest consideration of the issues.

Mr. Carter has been roundly stumped by my colleagues for being vague and illusive. I use the word illusive after the "Meet the Press" interview, because he is indeed. He is doing it, though, because others have done it, and others have done it successfully. If you don't make too many hard decisions before the convention, then you really have a little bit more freedom after the convention to be a little tougher, because then you have a unified party behind you. I think that's

what Mr. Carter was setting out to do and he certainly did it successfully. I have never seen any man plan his campaign for the presidency over a two-year period and follow that plan as carefully and as strictly as Jimmy Carter.

It's a phenomenal political story and, regardless of the post-Watergate morality and the post-Vietnam morality, you have to know that Mr. Carter took large chapters out of Richard Nixon's book to wage that campaign. He took a few chapters out of Lyndon Johnson's book to wage that campaign, but, after all, that's what a successful politician does. I'm going to go to *Kansas City* in a few weeks and see if the Republicans can avoid bleeding to death.

I personally have this view: It is that the Republican Party can unify. I think they will reflect on the Demoncrats' performance in New York City and will see that it's the only way for a minority party to survive. I think they'll see that the liberal tendencies or the liberal planks in the Democratic platform or the choice of Mondale really does set us up for a rather classic choice between the two parties for the first time in a long time. I believe the Republicans are smart enough to see that.

I think they'll look at the economy and, for the first time in my memory, give us a reasonable chance of planning our future, both in business and in the government. I think, with the economy moving as it is in a slow moderate growth, if we don't tinker with it--and Mr. Ford and his people seem disinclined to tinker with it--thankfully in an election year, that's very rare. Thus far, the economy is doing it on its own with some help of presidential vetoes and with help from the Congressional Budgetary Office. I think that's a step forward. We can look forward to some sustained growth and make some plans accordingly. I think that will be comforting to the Republicans. It should be. And if they attack this one on the issues and not decimate themselves at *Kansas City*, I think it's going to be a close election. I don't think the country is going to suffer. If there's

one thing I learned in Washington--one other thing I learned in Washington--no matter how you muck up the system and tamper and tinker with it, it seems to survive. But, you should be warned that you can't continue to do that year after year after year. Some of the things that were exposed in the Nixon days, and should have been exposed in the Nixon days, were, I thought, and still think, the culmination of a lot of bad habits that had been building up over a number of years with a number of presidents--bad habits that we tolerated as politics as usual, or as the way it's done in Washington.

America is like the human body. You can suffer an infection for a long time but sooner or later the boil pops or something happens. Then your body tells you you have to lie down for a while or go to the hospital or do something to correct the system. Well, we went through that. What it proved to me is that our institutions can survive a lot. They are sturdy. They will survive, and human beings floating in and out of the system might impede its progress and will impede its progress, but we're not going to destroy that system unless it is a national decision to destroy it. I don't think we're about to take that step.

I think the choice in November will be between an established President, an accidental President, not the most articulate, not the most glib and not certainly the most rhetorical President in our history, but one who has overseen a troubled period in our country and has brought us to this election in pretty good shape, both here and around the world--the man who promises things for the future.

I think Jimmy Carter is pretty much of an experiment and would be an experimental President. Now, whether or not the American people are so distraught and so nervous and so ill at ease with Washington that they are going to experiment, I don't know, but I do think this: The polls will change drastically between *Kansas City* and the first of October, and the month of October will be a very interesting month in this country. It



could be one of the classic months in our political history. I don't mean to give you any more politics, but I just have a very good feeling about this political year--much better than I have had before. Out of the rhetoric of hope and despair--at the same time despair with Washington and hope for the future--must come some concrete things during the next few months. It's that which will allow us to make our decisions. I really feel pretty good about it.

I was going to talk to you a little bit about some of the classification problems that I had in Washington, but they were very minor. They just didn't tell me anything that mattered and for that I am truly thankful.

I spoke to a group the other day and a guy stood up after the speech and literally waved a copy of the "Final Days." He said, "They say in here that you didn't know anything about what was going on in Watergate." I looked at him and said, "Thank God."

Ladies and gentlemen, thank you very much. I would be happy to answer whatever questions you might have. Thank you.

Gene Wilson - CIA: I received a number of letters from various newspapers, editorials from newspapers, and it said that the past sources of information from the news media that supposedly worked for CIA should be declared by name so that we could purge the news media of this bad thing. At the same time, I wonder if some of the members, the same members that are asking for this in the news media, would not also go to jail to protect their sources?

Mr. Warren: Sure we would. That's another part of that double standard I was talking about. As an editor, I would defend to the end my right to protect a source, and I'm glad you brought it up. If it came to that, the biggest mistake the Congress of the United States has made in the Schorr case was to try to decide it publicly on who leaked what to whom and why Schorr wouldn't disclose his source. That was a mistake because the electronic industry and the print

industry in this country represent one of the greatest vested interests that you'll ever see, and it's a sort of a circle-your-wagons concept. When freedom of information is attacked or somebody is threatened with jail over a source, they all will blindly defend the right to protect their source.

I have a feeling that these delicate issues should be handled in a quiet way. If the Attorney General of the United States came to me quietly and said, "We need your help on this case, and is there some way we can work it out," nine times out of ten, I would work it out, and I think most editors would. But if he slapped a subpoena on my desk and said, "Give me your source or go to jail," we go to jail.

As far as I'm concerned, if it did not further damage the agency, I wouldn't mind seeing all those names printed. I have a feeling that most of the members of the media, while they performed for the CIA as salaried employees of the agency, were probably stringers. I'm guessing. I don't know. I'm not asking. I'm just guessing. A stringer is someone who writes a story for me and is paid twenty-five dollars for it; this same person might send something to CBS and be paid fifty dollars or a hundred and fifty or fifteen thousand, whatever CBS pays such people for that type of thing. That wouldn't bother me, if it didn't bother the agency. I don't think it's as essential to clear the agency, or to clear the news business of whatever taint we might have for helping our country overseas--you know, in the days that most of these guys were recruited, if indeed they were recruited, maybe they volunteered, I don't know--in those days, it wasn't a crime to help your country and maybe some day we'll get back to that. Let's hope so.

Bob Donovan, Optical Coating Lab, Inc.: There are two threads of legislation that seem to be working their way through the Congress, one concerning freedom of information and the other on privacy, which are somewhat diametrically opposed and this, of course, is of considerable

interest in the press. One thing that has been developing, and I would like to have your comment, is upon the, shall we say, the sanctity of the newspaper work files and what impact such privacy legislation might have upon that type of accumulation of data?

Mr. Warren: Well, here's another case where we would defend to the death our right to hold on to the unpublished pictures. I feel that they should not be subpoenaable, really. On the other hand, I'm not an editor to the exclusion of my citizenship. I do have responsibilities and I would risk my credibility in this city probably to assist a law enforcement agency with something out of our morgues, out of our files. I hate to see the First Amendment codified. I don't think it's necessary. I don't think newspapers need a shield law to protect their sources, for example, I think we can do that by ourselves. I don't think we need an official secrets act. I'm not sure S-1 is that. I don't think S-1 is going to pass in its present form. I do think there need to be some amendments to the Freedom of Information Act probably, but I disagree with you. I guess I side with the CIA on this business of information and privacy. I don't think they're diametrically opposed.

I noticed here in your program that Mr. Gene Wilson is the Coordinator of Information and Privacy for the Central Intelligence Agency. I think that makes some sense, because the only reason we fight to defend freedom of information is to protect the citizens, to protect the individual--the individual's right to know. But just as important to us, and maybe we don't show it too often, but just as important to us is that individual's right to privacy. We are very, very nervous when we take a picture in a crowd, for example, at a rock show or a political rally or a street scene to illustrate a weather story or something and there is a person in there who is doing something that's rather strange. I don't mean obscene, but strange. They're walking down the street and they're doing this thing, so you would think they would have surrendered their right to privacy. But

there's a question about that. They didn't know they were being photographed; we used the photograph without their knowledge. We're very careful not to do that. We usually get a legal opinion on that. So I don't think there should be this problem between information and privacy. I think we can reach a partnership there, too. But I would not like to see the First Amendment codified any more than it is right now.

G. P. Morgan, N.S.A.: Commenting on why the Freedom of Information Act was applicable to the Executive branch and not the Legislative, we heard Representative Pete McCloskey voice the opinion that members of Congress had a right to lie to their constituents.

How do you feel about that?

Mr. Warren: Well, it's a lot easier because there are less of them. Well, we all have the right to lie, sure. You know, everybody has the right to lie. He has an obligation to tell the truth. He has the responsibility to tell the truth. I do not believe that all politicians are liars. I don't think you need to lie to be elected or to stay elected, and I wonder if Pete was being serious about that; maybe it was said in the heat of his presidential aspirations. I'm not sure. I have a very difficult time explaining my own utterances over the years. I would never pretend to explain Pete McCloskey's.

Dean Richardson, Texas Instruments, Inc.: The F.O.I.A., Freedom of Information Act, gives a private citizen a right to go out and demand information and get a response when he can, and I'm wondering, as a newspaperman, if you foresee a lot of this happening in the media in order for people to write books and write stories?

Mr. Warren: Yes, I do.

Mr. Richardson: This is costing a lot of money.

Mr. Warren: I know it is, but what's the alternative? To say that the individual

doesn't have that right; that he can't go to his government and get information? It's tough. It's not easy. That's why we need that trust. We need to be able to say as a government to our people, "Trust me. This piece of information, while it might be useful to you, it might be damaging to the broader interest. Therefore, we can't give it to you." I'm hopeful that time will come again but, both as an editor and as a former White House staff member, I have to tell you the alternative is for an individual going to the government--his government--and seeking information to be told by the government, "We know best. You can't have anything." That's a stark contrast. Somewhere in between there has to be an answer that doesn't cost all of these agencies the time--and I know because I argued against the Freedom of Information Amendments in the past, two years ago, both as one working for Gerald Ford at the time he had to make the tough

decisions, and as one itching to get out of the White House and back into the news business. So I felt the problem, but I had to sit down with editors and publishers and broadcasters and tell them how I thought that would be a problem for governmental agencies--the F. B. I. and other agencies--the amount of time devoted, the manpower devoted to sort through all that information, you know. The classic case we used to say was, well, what if someone demanded--and there was such a request--all the information on the Communist Party in the United States over fifty years. Well, how long is it going to take the F. B. I. to go through all that and do all that? That's an extreme, but on the other side, the extreme alternative to that is an uninformed electorate and we don't want that either.

Thank you very much.



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Presentation by

Mr. Robert W. Wells  
Executive Director, Interagency,  
Classification Review Committee

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THE ICRC IN ACTION

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Before I commence my presentation, I would like to relay a message from Dr. Rhoads, Archivist of the United States and Acting Chairman of the Interagency Classification Review Committee. Dr. Rhoads has asked that I relay to you his sincere regrets that he is not able to be here to participate in this Seminar. But as you know, this month, July 1976, marked the culmination of the many Bicentennial activities going on around the nation. And, unfortunately, Dr. Rhoads was already heavily committed to those activities prior to the time he received your invitation to address the group.

If the title of this presentation--The ICRC in Action--suggests to you that things are moving in the Government's classification and declassification programs, then it's served its purpose. The ICRC IS in action--it is not a paper committee but a working committee, and, I can, from experience, assure you that the committee staff is certainly a working staff.

Today, in the time allotted, I will provide for you a brief overview of just who we are, what are our responsibilities, what we are doing to fulfill those responsibilities, and give you an insight into the progress we have made and some of the plans for the future which are designed to give impetus to the program.

Who we are? The ICRC is the first White House level committee with overall responsibility for overseeing the Government's security classification and declassification program. It consists of a Chairman, appointed by the President; the Archivist of the United States; senior representatives of the Departments of State, Defense, and Justice; the Energy Research and Development

Administration; the Central Intelligence Agency; and the National Security Council staff. As you know, Dr. Rhoads is the Acting Chairman and was appointed to that position in April 1973. I am the current Executive Director of the Committee. In addition, the ICRC has a permanent staff of four program analysts and three clerical personnel.

What are the responsibilities of the ICRC? Of the many innovative features incorporated in Executive Order 11652, one of the most significant was the continuing monitorship process by the National Security Council (NSC) with the assistance of the ICRC to ensure that the order is properly implemented. Among the most significant responsibilities assigned to the ICRC are:

1. Overseeing the implementation of the program in all Executive Branch departments and agencies to ensure compliance with the provisions of the Order.

2. Receiving, considering and taking action on suggestions or complaints from persons both within and without the Government pertaining to the administration of the Order.

3. Hearing and acting on appeals from denials of declassification requests made under the mandatory declassification review procedures or provisions of the Order.

4. Developing means to prevent overclassification, ensure prompt declassification, facilitate access to declassified material, and eliminate unauthorized disclosure of classified information. In effect, it is the responsibility of the Committee to strike a balance between the two conflicting principles--protecting information which bears directly on the effectiveness of our national defense and the conduct of our foreign relations with that of an informed citizenry in an open and democratic society.

To fulfill its assigned responsibilities, the ICRC uses various methods to oversee and evaluate agency compliance with the order and programs established thereunder.

These include: a system of quarterly reports; annual and special reports; liaison and visits with reporting agencies; and detailed programs of reviews and inspections.

To show both accomplishments and shortcomings of the program, the ICRC issues an annual progress report to the President. Briefly, let's discuss some of these reporting forms.

The first report is a quarterly report by which agencies report on the number of classifiers authorized by classification category. They must indicate the number for the previous quarter, the current quarter, and the numerical and percentage change. Departments and agencies are also required to maintain a current listing of these classifiers by name or position. This list must be made available to the committee on request.

When Dr. Rhoads talked to you in 1973, he made a number of long range predictions. Many of these have come true sooner than we anticipated. For example, he stated then that because of more stringent controls there would be a smaller number of classifiers.

You will note that in 1972 before 11652 there were 59,316 classifiers under Executive Order 10501. As of December 31, 1975, that total has been reduced to 14,729 classifiers--a reduction of 75%. This significant reduction can be attributed to a close monitorship by the ICRC and a sincere desire on the part of participating agencies to adhere to the spirit as well as the letter of the Order. Action to achieve further reductions in the number of authorized classifiers is continuing. For example, analysis of one department recently showed that only a minimal number of classification actions had been taken since the start of the program. In response to a recommendation by the Committee staff, the department has agreed that its original classification authority may be withdrawn entirely. Other recent urging by the staff

has resulted in an 88% reduction in the number of Top Secret classification authorities in the President's Foreign Intelligence Advisory Board.

Another report required quarterly of agencies is the Mandatory Declassification Review Requests Report. Any member of the public or Government may, under the order, make a review request for the declassification of information or material over ten years old provided the information is described with sufficient particularity to allow the agency to identify and find the document and provided that the request is not unduly burdensome. To explain this provision of the order the ICRC published a pamphlet entitled "Know Your Rights to Mandatory Review of Classified Documents." This pamphlet has met with a great acceptance. It is now in its second printing and has been furnished to all agencies dealing with classified documents and to individual members of the public. Dr. Rhoads also made a prediction in 1973 regarding these requests. He claimed that the number of requests would increase from a few hundred into the thousands. This prediction has also come true. The number of mandatory declassification action requests has increased from 252 in 1972 to 1,993 in 1975.

Upon the enactment of the Freedom of Information Act Amendments in 1974, it was generally felt that the number of requests for declassification review made pursuant to the Executive Order would significantly decrease because of the more restrictive time limits for acting on requests under the Freedom of Information Act (FOIA), and the provisions of those amendments relating to judicial relief. However, Executive Branch experience during 1975 disproved this assumption. During 1975, a 94% increase in the number of mandatory review requests made pursuant to the Executive Order was experienced. These requests varied from a single page document request to requests for numerous documents containing thousands of pages. For example, while the Department of State listed only 137 new requests received in the first quarter of 1975,

these requests actually encompassed in excess of 4,900 documents containing more than 20,000 pages. Other departments and agencies of the Government had similar experiences.

During 1975, 86% of the requests acted upon were either granted in full or in part and only 14% were denied in full. It should be noted that many documents which were granted in part had only a name or a few lines excised. Although a document could contain hundreds of pages, the excising of any portion, no matter how small, requires that it be reported to the Committee as "Granted in part."

Another report required is that on classification abuses. The Order details the requirements for strict adherence to classification and declassification policies. In particular it proscribes the use of classification to conceal inefficiency or administrative error, to prevent embarrassment to a department or person, to restrain competition or independent initiative, or to prevent, for any other reason the release of information which does not require protection in the interests of national security. Notwithstanding the limitations of the Executive Order concerning the reporting of instances of unnecessary classification or overclassification, the Committee has developed and promulgated reporting requirements related to classification abuses which are much more stringent than those contained in the Order. Under procedures adopted by the Committee, a "Classification Abuse" is defined as an unnecessary classification, an overclassification, a failure to assign the proper downgrading or declassification markings, an improper placing of a document in an exempt declassification category, any classification or exemption action taken without proper authority, or an improper delegation of classification authority. Any action such as those I have described which is discovered must be reported on a quarterly basis except such action which results exclusively from a decision on a judgemental factor as to which there exists a reasonable and good faith basis for disagreement.

It is the position of the ICRC that identification and correction of classification and declassification irregularities such as those which I have described provides one of the most effective means of ensuring that departments are following both the letter and the spirit of the Order. Consequently, during 1975, the Committee devoted maximum attention to departmental development of effective inspection systems which would identify one time abusers as well as repeat offenders against whom more severe administrative action should be taken. In addition, the ICRC has actively encouraged departments to alter and improve education and training programs through increased emphasis on those areas where analysis of the quarterly reports has shown that additional instruction is required.

Examples of such programs include one DOD component which requires all staff originated reports to be reviewed in draft with proper classification and markings by qualified classification personnel. Contractor generated reports are reviewed in the same manner. Over a period of time, a pattern emerges and these classification specialists can then provide advice and assistance to improve the marking of future submissions. Other defense components have similar programs and have enjoyed like success in controlling abuses.

The Committee is encouraged with the progress made in identifying and controlling classification/declassification abuses and in the establishment of improved monitorship and inspection systems within departments to identify such abuses.

One of the functions assigned to the Committee was the development of means to prevent the unauthorized disclosure of classified information and material. To assist in acquiring data for developing these means, departments are required to report to the ICRC on a quarterly basis those instances of unauthorized disclosure wherein the release and disclosure of the information was of sufficient importance to warrant a formal investigation and that investigation



confirmed that an important disclosure did occur. Such disclosures are defined by the Committee as those which involve a communication or physical transfer of classified information to an unauthorized person.

The Committee is encouraged by the relatively small number of unauthorized disclosures which have occurred. We look upon this as a positive indication that one of the principles expressed in the Order is being met; i. e., that information and material bearing directly on the effectiveness of our national defense and the conduct of our foreign relations is being protected. Still, in fulfillment of its responsibilities, the ICRC will continue to emphasize the importance of protecting classified information through training, counseling, and inspections.

The last report required on a quarterly basis is the Quarterly Summary Report. The Order states that only that information or material which requires protection against unauthorized disclosure in the interest of the national security may be classified in one of three categories: TOP SECRET, SECRET, or CONFIDENTIAL, that of course depending upon the degree of its significance to the national security. In addition, the National Security Council Directive states that if the classifier has any substantial doubt as to which security classification category is appropriate, or as to whether the material should be classified at all, he should designate the less restrictive treatment.

The Committee continues to advocate and encourage agencies to reduce the number of documents classified, to maximize utilization of the General Declassification Schedule (GDS) provided for in the Order, and wherever possible, to declassify information in advance of the time limits of the General Declassification Schedule (GDS). The ICRC monitors the progress agencies are making by reviewing the reports of classification actions that are submitted on a quarterly basis as part of the Quarterly Summary Report.

There is every indication that agencies are focusing considerable attention on these matters as evidenced by the significant reduction in the number of classification actions in the past two years. For example, in 1974 the total number of classification actions was reduced by 63,000 or 2%. In 1975 this trend was continued and improved upon to achieve an overall reduction of over 218,000 actions. Since 1973 there has been a 41% reduction in the Secret category.

Another part of the Quarterly Summary Report is Classification Assignments. You are all familiar with the General Declassification Schedule. The Order and especially the NSC Directive encourages agencies to downgrade and declassify in advance of the 10, 8, and 6 year time limits. Some departments have, based on this guidance, provided in their own regulations for an advanced declassification schedule.

An analysis of the reported results indicates that in 1975, 77% of the documents classified by most Executive Branch departments reporting to the ICRC were placed in the General Declassification Schedule, one percent in the Advanced Declassification Schedule, and 22% in the Exempted category. Examined over a three year period, this represents an improvement in limiting the number of documents being exempted from the General Declassification Schedule thus providing for accelerated declassification and a more informed public.

The Committee will continue to observe and analyze departmental performance and statistical reporting. While there's a definite pattern of reduced classification and exemptions, greater emphasis is required on the use of the Advanced Declassification Schedule and on control of Top Secret classification actions.

In addition to the established system of quarterly reports which I've described, the ICRC requires departments to submit reports on an annual basis describing their own evaluation of the progress they have achieved in

implementation of the Order. Such reports cover areas such as education and training; the establishment of systematic programs for the purpose of reviewing classified information or material and accomplishing downgrading, declassification, transfer, retirement and destruction at the earliest practicable date; the data index system; inspection systems; efforts and success in limiting exemptions from the GDS; reductions in classified inventories; and efforts and success in identifying and controlling classification abuses.

Throughout the year items of special interest to the Committee arise and departments are requested to provide experience data and comments related to these special projects. These projects include such items as the development of standard security forms for use throughout the Executive Branch, development of classification guidelines, and development and promulgation of departmental regulations issued in implementation of the Freedom of Information Act, as amended.

Other annual reports required are those related to the Data Index System. The primary objectives of the Data Index System are: To enable the departments to manage their classified documents better; in particular, to provide a manual or automated system of identifying and locating classified documents scheduled for declassification or for periodic classification review or requested by the departmental review committees or the ICRC pursuant to the Executive Order; and to monitor implementation of Executive Order 11652 by drawing upon information within the data index in response to periodic or other report requirements.

As an integral part of the Data Index System, departments are required to submit two annual reports. The first is the "Annual Review List." This report must be submitted to the Committee by April 1 of every year and covers documents which are exempt and over 10 years old, those which specify an event for declassification, and those which were placed in the Data Index System

on or before December 31 of the previous year. The second report is the "Annual Declassification List." This is a two part listing of documents declassified on or before December 31 of the previous calendar year and documents which are listed in the Annual Review List which, after review, have been determined should be declassified. Copies of the "Annual Declassification Lists" are provided to the Central Research Room, National Archives, for use by the public.

A properly functioning data index will facilitate inspection, assist in declassification review, ensure better protection for classified documents and facilitate public access to declassified records.

Many of the smaller departments (in terms of number of classified document holdings) are finding the Data Index System invaluable for management of their classified records, including inspection for reviewing proper marking and in the conduct of declassification reviews. Experience has revealed that some departments with elements dispersed world-wide or those maintaining a significant volume of classified information find the system cost-ineffective. However, some departments have been able to modify or convert a portion of their existing equipment to meet some of the established requirements.

It has been the experience of the Committee that more effective implementation is achieved by keeping the presence of the ICRC before those officials responsible for the program in the various departments and agencies. Consequently, I and other members of the ICRC staff have arranged visits to the departments to the maximum extent possible. These visits, which are in addition to the formal reviews and inspections, prove to be especially useful in identifying special problem areas which require additional attention by the Committee.

One of the most significant innovations in the ICRC oversight program during 1975 was the initiation of detailed on-site reviews or inspections of departmental implementation



by the Committee staff. The Committee is convinced that these reviews are the most effective means of ensuring implementation of the Executive Order. Through such actions the Committee acquires a first-hand look at personnel, organization, rules, regulations, policies, and procedures within the various departments. Moreover, it provides the ICRC with an insight into problems faced by agencies in implementing the Order and identifies areas wherein greater oversight emphasis is needed or change is required.

As I mentioned earlier, we now have four program analysts assigned to the staff. Thus, we have now acquired the additional manpower and expertise which we need to fully pursue the review and inspection program.

We believe that the ultimate success of any information security program depends upon the motivation and dedication of the individuals who work with it, as well as their knowledge and familiarity with information security practices and principles. The Committee, recognizing the importance of this key element, has taken positive steps to encourage agencies to develop formal orientation and training programs. The objective of these programs is to educate personnel handling security material to ensure that they have a full understanding of Executive Order 11652 and the National Security Council directive which implements it.

The Committee has not only actively encouraged and monitored such programs but it has taken a leading role in promoting the orientation and training programs and disseminating information covering the principle features of the Order and its directives.

We have published two educational pamphlets. One of these pamphlets, "Know Your Rights to Mandatory Review," was mentioned earlier. In mid-1975, we published another pamphlet entitled, "Know Your Responsibilities as an Authorized Classifier." A copy of this pamphlet was distributed to each authorized classifier within the Government as a supplement to existing agency regulations.

A significant function assigned to the Committee by the President is the responsibility to "Consider and take action on complaints from persons both within or without the government with respect to the general administration of the Order including appeals from denials by departmental committees or the Archivist of the United States of declassification requests."

Thus, the order provides for high level administrative review of denials from departmental committee decisions by a committee composed of representatives of seven separate Executive Branch departments. In the conduct of these reviews, the ICRC undertakes detailed examination of the information contained in the denied documents on an item-by-item basis. The burden of persuasion is on the denying department to show that continued classification is required under the provisions of the Order.

During 1975, the ICRC took action upon eighteen separate appeals submitted to the Committee.

It is interesting to note that of the almost 4,000 requests for declassification submitted to departments and agencies since the Order became effective, only 30 cases (1%) have been appealed to the ICRC. That so few appeals have reached the Committee is a tribute to the willingness of departments to make the mandatory review system work by taking responsible action on declassification requests. In a large sense the success enjoyed is directly attributable to the interest shown by senior departmental officials, the effectiveness of the security education program and the vigor with which the ICRC has pressed the system.

The last item I want to cover is where do we go from here or plans for the future to give impetus to the program. The last prediction of Dr. Rhoads in 1973 was that the present order would not go unchanged. Although this has not materialized as yet, there are already revisions and changes being proposed by a work group under the aegis of the National Security Council. These changes are designed to make for a

more progressive system, to place greater control over classification, promote more rapid declassification, and achieve greater uniformity in the classification/declassification program throughout the Executive Branch. It is anticipated that these changes will be promulgated in the near future.

Within the Committee itself, we plan to make great strides in the education and training programs. Our current plans call for the establishment of monthly seminars of an informal nature: each of these attended by security management representatives of six or ten organizations. We would hope that attendance at these monthly meetings could be rotated in order that all personnel will have the opportunity to meet each other and to discuss common problems and solutions, and to exchange ideas. We also anticipate that a central library of training aids and materials will be established within the ICRC staff headquarters. This would include training films, lesson plans, training materials and other visual and training material. This material will be made available for loan to the various departments or agencies and should assist the various training offices by giving them new ideas for incorporation into their own programs. On an annual basis, the staff will gather security personnel from industry and Congressional subcommittees for an education and training seminar in order that experiences can be shared and problem areas discussed. Finally, we plan to give added emphasis to our own inspection system when we make the program reviews mentioned earlier. We now have sufficient staff to carefully analyze reports, conduct visits, detect deficiencies, capitalize on accomplishments, and bring this information to the attention of all agencies.

In summary, when viewed from an overall aspect, considerable progress has been made since the promulgation of Executive Order 11652. Classification authorities have been reduced, less information is being classified, millions of pages have been declassified under progressive declassification programs in the archives and within departments,

agencies have developed improved and more comprehensive inspection systems and security education programs, and more responsive action is being taken on requests from the public for declassification review. If I might capitalize on the Virginia Slims ad - "You've come a long way," - but - let me add one phrase - "You've still got a long way to go." Much of the success enjoyed thus far is attributable not so much to what the Committee or the staff have done but rather, to positive and affirmative actions taken by individuals to question, challenge and correct irregularities. I suppose you might say we have one of the largest police forces in the world working for us--but that is what it takes to make the system a viable program - so here and now I deputize each and every one of you to make such challenges in the future--remember--it is action on the part of each and every one of us rather than reaction which will allow us to strike that balance between classification in the interests of national security and the public's right to know. The Interagency Classification Review Committee and its staff are fully committed to the attainment of that balance. Are you?

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Questions and Answers  
Following Mr. Well's Speech

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James H. Hoyle, U.S. Army Missile Command: In reference to your chart in which you showed seventy-seven percent of the documents to be to the General Declassification Schedule, are these documents that have come through your agency? Are these records in all new types of information being classified?

Mr. Wells: No. Those are documents which are reported to us as being classified on a quarterly basis, and in most departments, seventy-seven percent are being placed in the GDS--it does not include DOD because I indicated to you that we don't get from DOD the number that are being put into the ADS, GDS, and so forth.

Fred Daigle, Lockheed Missiles and Space Company: Bob, why is it DOD does

not report this to you? They're the biggest users of this. Why do you not get a report from them? Why are they exempt?

Mr. Wells: We don't get a report from them primarily because it costs too much money. In my mind, it's not worth twenty to fifty million dollars a year for this Committee to know that data.

Bob Donovan, Optical Coating Lab, Inc.: Why would it cost twenty to fifty million dollars?

Mr. Wells: This is the result of the survey that was done. When you're talking about reporting on a world-wide basis--Art, do you want to expand on that?

Art Van Cook: Yes. We have conducted two sample surveys and we've used the comparison of two consecutive years to see whether we put more or less into the ADS, GDS, Exemptions. The first survey we conducted involved seventy-seven major activities world-wide which indicated that we were putting on the order of forty-three percent in the GDS and forty-six percent Exempted.

In the second year, it was forty-six percent in the GDS and forty-three percent Exemption. In the Department of Defense, we can't come up with a scientific sampling method. We have eleven hundred major activities world-wide, three million people involved, on a world-wide basis, all with varying missions and we can't take like commands and try to project those figures. Why? There's no way that we can do that without an actual document count, and the actual document count is what Bob is talking about, costing something on the order of twenty to fifty million dollars on an annual basis on a continuing order.

Mr. Wells: I might say, to follow up on Art's talk on the two surveys they ran--interesting figure. They did an actual count on the number of Top Secret documents created within OSD over a one-year period, and actually it came up to only about ten thousand; is that right, Art?

Mr. Van Cook: That's right.

Mr. Wells: It was about ten thousand documents only, which is quite a surprise to me for a count over a one year period.

Donald Woodbridge, K. M. S. Fusion, Inc.: How effective do you think you've been in responding to your inquisitors in Congress to indicate that your hearts are in the right place and that you made some progress?

Mr. Wells: Well, I think we are making progress here, too, and it hasn't been as much push as shove. I don't know whether it's because of election year or not, but there has been little emphasis on classification legislation this year. We feel we're keeping close contact with the subcommittee members, and we try to stay in pretty close communication with them. We explain to them what we're doing, and I think they are equally impressed by that, although everything's not solved yet. We're making progress.

Art Barber, Atlantic Richfield Hanford Company: As a result of 11652 implementation and when we cut down, you said something like seventy-five percent of our classifying officials or classifying authorities, at the same time there's been a reduction in the number of classified documents generated. Do you care to comment on the interrelationship there?

Mr. Wells: I think there is a relationship, but I'll be quite honest with you. Cutting down on the number of original classification authorities is not the whole answer. The answer is coming up with a better system to control derivative classifications. This is what we're working on, too. This, in fact, was one of the recommendations that we made in the procedures in the proposed changes to the Executive Order. We feel, though, that cutting down the number of original classification authorities requires an additional review by someone else, and in this way at least someone takes another look at the document before it goes out.

Thank you very much.



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Presentation by

Mr. Arthur Van Cook  
 Director for Information Security  
 Office of The Deputy Assistant  
 Secretary of Defense (Security Policy)

INFORMATION SECURITY - PAST,  
 PRESENT AND FUTURE

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I appreciate very much the invitation of the Society to appear here today to discuss the Department of Defense Information Security Program.

In this year marking the 200th Anniversary of our Nation, I thought it appropriate to look back in time to see how the security classification system evolved, to review our current day practices, and to give you some insight into where we expect to be tomorrow.

Security classification, in one form or another, existed in the time of the 13 original colonies. Allusions to a policy of military secrecy can be found in Articles of War dating from 1775, prohibiting any unauthorized correspondence by soliders with an enemy. As early as 1776, legislation forbade spying by civilians in time of war. On the legislative side, when the Constitutional Convention opened in Philadelphia in 1787, rules were quickly adopted to ensure that its proceedings would be conducted in secrecy. It was not until 1820 that statutes were enacted removing those restrictions and simultaneously providing for the publication and distribution of the Convention records.

According to notes kept by Thomas Jefferson, it was in 1796 that the Chief Executive first asserted the authority for denying information to the Congress. At that time in response to a request from Congress for certain information, Washington said, "It is essential to the due administration of the Government that boundaries fixed by the Constitution between the different Departments should be preserved, a just regard to the Constitution and to the duty of my office, under all the circumstances of this case,

forbids a compliance with your request. " Thus, as far back as 1796, we come on to the use of "executive privilege. "

Although members of the United States Armed Forces were, from the time of the Revolution, prohibited from communicating with the enemy and spying during wartime, no directives regarding the protection of information or safeguarding against foreign military intelligence during peacetime were issued until after the Civil War. President Lincoln placed strict governmental control over communications - the telegraph, the mails, and, to a considerable extent, the press. Secretary Seward maintained a network of secret agents to assist in apprehending Confederate spies, collaborators and sympathizers. During this time, the military controlled communications and civilians within the shifting war zones.

A few years after the cessation of hostilities, the War Department turned its attention to security proceedings for peacetime. In what would appear to be the forerunner of today's security regulations pertaining to the protection of military installations, the Headquarters of the Army issued General Order No. 35 in April 1869, which read in part, "Commanding Officers of troops occupying the regular forts build by the Engineer Department will permit no photographic or other views of the same to be taken without the permission of the War Department. " This language placed limited information control at the disposal of the War Department.

Later, in 1898, a statute was enacted to protect the harbor-defense and fortifications constructed or used by the United States from malicious injury and for other purposes. This law provided that "Any person who-- shall knowingly, willfully or wantonly violate any regulation of the War Department that has been made for the protection of such mine, torpedo, fortification or harbor-defense system shall be punished by a fine of not less than \$100 nor more than \$5,000 nor with imprisonment for a term not exceeding five years, or with both, in the

discretion of the court." One effect of this statute was to sanction War Department directives regarding the protection of information.

The first complete system for the protection of national defense information, devoid of special markings, was promulgated in 1912 by the War Department. That directive specified classes of records which were to be regarded as "Confidential," prescribed standards for safeguarding (lock and key) and access (only to the officer to whom entrusted), and also imposed document accountability and a requirement for annual sighting and inventory by the accountable officer. Ten years later, an Army regulation specified that military records requiring safekeeping should be classified and marked as Secret and Confidential although these designations had been in use for some time without formal direction for such use. In 1921, the term "For Office Use Only" was formalized. In 1935, the classification of "Restricted" was introduced for the first time. The term "Top Secret" which had been used in military regulations during the latter part of World War I to coincide with classification designations of our allies, was not formalized as a level of classification until 1938.

In researching this history, we came across a couple of other interesting items. One concerned control measures for documents. In 1907 the Chief Signal Officer recommended that manuals and instruction books contain instructions to limit their dissemination. An example of this type of control was the following instruction annotated on a manual of that time: "This manual is intended for the sole personal use of the one to whom it is issued, and should not under any circumstances be transferred, loaned, or its contents imparted to unauthorized persons." Also, in the early 1900's, the Chief of Artillery invited the attention of the Adjutant General to the fact that the word "Confidential" was being used indiscriminately. He pointed out the ridiculousness of the situation by citing examples, including one issuance marked "Confidential" that

contained merely formulas for making white-wash. We're still struggling with the over-classification problem today. In his communication to the Adjutant General, the Chief of Artillery recommended there be some time limit on the effect of a classification marking. The Adjutant General, acting on the recommendations of the Chief of Artillery, issued a circular which prohibited further indiscriminate use of "Confidential" on communications from the War Department and permitted its use only on such communications "where the subject matter is intended for the sole information of the person to whom addressed." That same issuance prescribed that internal issuances be accompanied by a statement indicating the class or classes of individuals to whom the contents might be disclosed and further, that documents marked "Confidential" were for the use of Army officers, enlisted men and government employees "when necessary in connection with their work." This circular may well have been the first written policy on the "need-to-know" principle.

Our contemporary security programs are, for the most part, established on the basis of executive orders. Executive Order 9835, issued by President Truman in 1947, is widely held as the first such order dealing directly with security as we know it today. Other executive orders followed: Executive Order 10290 in 1951, Executive Order 10501 in 1953, amended several times between 1953 and 1964, and finally Executive Order 11652 which became effective on June 1st, 1972.

Executive Order 11652 established the current policy for the classification, downgrading and declassification of national security information and material. The National Security Council Directive which became effective on the same date formed the basis for an Executive Branch-wide implementation of the Order. The salient features of both the Order and the Directive are these:

- The rules for classifying documents are more restrictive.

- The numbers of Departments and people who can originally classify information have been substantially reduced.
- Time tables ranging from 6 to 10 years have been set for the automatic declassification of documents. Exceptions are allowed only for such information as falls within four specifically defined categories.
- Documents exempted from automatic declassification are subject to mandatory review for declassification after a ten year period.
- If information created after the effective date of the Order is still classified 30 years after origination, it will then be automatically declassified unless the head of the originating department determines in writing that its continued protection is still necessary and sets a time for declassification.
- Sanctions may be imposed upon those who abuse the system.
- A continuing monitoring process is set up under the National Security Council and Interagency Classification Review Committee, whose Chairman is appointed by the President.

You should know that the National Security Council initiated action to review the management of classified national security information in light of what is now 4 years of experience with the implementation of the provisions of Executive Order 11652. The National Security Council established an ad hoc group to review the effectiveness of the Order in light of the purposes for which it was intended. That group met and established a working group for the purpose of developing appropriate recommendations with respect to possible changes to the Order with due consideration to be given to the impact of such things as the Freedom of Information Act, and the Privacy Act of 1974. I am designated as the Defense member of that working group.

With 4 years of operating experience under Executive Order 11652 behind us, I find that change is needed to eliminate certain requirements which have proved to be non-productive and cost ineffective. However, after heavy investment in security education and training to bring about effective implementation of the provisions of this Order, I wouldn't like to see any drastic changes to the classification system which would call for complete re-education of industry and government personnel. Rather, during the meetings of the working group, I have been striving for simplification, clarification and streamlining to make the Information Security Program more efficient and more effective.

In order to provide you a better understanding of our efforts, I'll highlight here some of the more significant changes to the present Order which the Department has proposed.

Section 3 of the Order deals with the authority to downgrade and declassify information. We have proposed new language for this section of the Order which is designed to encourage the Departments of the Executive Branch to designate officials at appropriate levels within each department with authority to downgrade and declassify information or material in order that conflicts in classification between elements may be resolved expeditiously.

We have proposed several changes to Section 4 of the Order which is concerned with classification. We believe that present requirements regarding paragraph classification marking, or use of an alternative method of identifying that information which is classified, should be mandatory across the Executive Branch. Moreover, we have proposed new language to do away with the "Classified by" line. It has been my observation, as well as others, that when the recipient of a document encounters a problem or develops a question concerning the classification aspects of the document, the recipient invariably turns to the signer, approver or authenticator of the document for assistance as opposed to seeking



assistance from a source identified on the "Classified by" line.

Section 5 of the Order deals with declassification and downgrading. We have proposed new language for the beginning of this Section which would formalize and place emphasis on the use of the Advanced Declassification Schedule. We have not, however, proposed any changes to the General Declassification Schedule as we feel that its present time limits - 6, 8 and 10 years - are realistic. Though these time limits may be imperfect, they are no more or less imperfect than others which might be used. We certainly do not want to increase the classified span of information assigned to the General Declassification Schedule, nor do we want to so shorten it as to lead to a diminished usage.

Other proposed changes to Section 5 of the present Order would make it clear that information or material exempted from the General Declassification Schedule may continue to be classified for any specified period of time which is longer than the limits provided by the General Declassification Schedule in each classification category but not in excess of twenty-five years rather than the thirty years now provided by Executive Order 11652. This proposed revision would help eliminate the observed tendency to exempt information or material for the maximum permissible period of time when, in many cases, a shorter period of exemption would suffice. It would also constitute some acceleration of the declassification process. Another proposed change in this Section would require that in every case a date or event for automatic declassification must be used.

With further respect to exemptions from the General Declassification Schedule, we have also proposed certain changes to the exemption categories. Exemption Category 1 would be restated to make it clear that it applies to United States material concerning foreign governments, international organizations, or specific foreign relations matters the continued protection of which is essential to the national security. Our

proposal would also narrow Exemption Category 3 to include only classified information or material the unauthorized disclosure of which could reasonably be expected to nullify the continued effectiveness of a system, installation or project of major importance to the national security or destroy the continued effectiveness of a plan or major importance to the national security or impede implementation of such a plan.

Another of our proposed changes to Section 5 of the Order relates back to the proposal on Exemption Category 1. We have proposed that a new subsection be added to show that classified information or material furnished by foreign governments or international organizations and held by the United States on the understanding that it be kept in confidence is excluded from the automatic declassification provisions of the proposed Order. It would appear that the United States cannot in every case unilaterally make a judgment as to when such information or material can be automatically declassified or declassified at all without the consent of the Government or international organization involved.

Another proposed change to Section 5 is designed to eliminate the marking "Excluded from the General Declassification Schedule." In that material whether excluded or exempted is effectively in the same status, there appears to be no need to differentiate between these two terms.

As I mentioned earlier, we have proposed changing the time frame for automatic declassification of exempted information or material from the present thirty years to twenty-five years. It is believed that the Congress and the public would endorse this proposal. The Department of Defense is now working with declassification guidelines for the declassification review of twenty-five year old material. We have also made a proposal to clearly place responsibility for extending classification beyond twenty-five years with the Department having classification jurisdiction over the information involved rather than with the Department

holding the material as is now provided.

We have suggested other changes to the Order and National Security Council Directive which I won't go into here. Suffice to say, they are designed to simplify and clarify in order to make implementation both within Government and industry more cost effective and productive. I must point out here that all members of the working group do not share our views and much work lies ahead before these proposals come to pass.

I mentioned earlier that we have now had some four years of operating experience with the Order. So that you may better appreciate our position with respect to the present Order and our proposals for changing the Order, I would like to make a few observations.

*It is axiomatic that classification in the first instance requires the exercise of reasonable judgment by reasonable people. It is the decision made by the classifier which will determine how much classified information and material must be carried in inventories, how much of our manpower and dollars must be devoted to safeguarding and associated administration, and most importantly, how much information is made available to the public concerning the affairs of Government.*

The Department of Defense, with its three million people employed in 1100 major activities worldwide, creates more classified information and material than all other Departments and Agencies of the Executive Branch combined. I'd hasten to point out, however, that this great volume of classified material derives from the mission of the Department, the worldwide disposition of its elements, and the sensitivity of its national and international operations. Of greater importance to understanding however, is the fact that even this great volume of classified records constitutes less than 5% of the total official records created by the Department of Defense. This percentage

figure is based on a sampling of Defense messages electrically transmitted worldwide annually. The figure may be somewhat higher when we consider all other documentation handled by the Department but we don't believe it to be much higher.

In other words, the overwhelming majority of the Department's official records are unclassified. The public now has access to these, unless they are withheld for other reasons as authorized in the amended Freedom of Information Act. As for knowledge of Defense operations, the public is provided, on a daily basis, with press releases and briefings, publication of rules and regulations affecting the general public, notices of contract awards, publication of articles by Defense authors in technical and scientific journals and wide dissemination of scientific and technical papers in the national and international communities. Other means of keeping the Congress and the public informed include *Defense participation in symposiums and seminars such as this one, appearances before Congressional Committees and public speeches by Defense officials, and the many responses to queries on Defense activities from the general public.*

We share the concern of the Congress that information about Defense policies, practices, and operations be given the widest possible dissemination, subject only to the limitations authorized by law. To improve on our record, we are continually striving to reduce classification in the first instance, eliminate overclassification, and accelerate downgrading and declassification. I believe our proposed changes to Executive Order 11652 reflect this position.

Beyond our efforts to improve the Order and the implementing National Security Council Directive, we have taken some highly visible steps within the Department to achieve better compliance with the present Order. For example, in March of this year, Deputy Secretary of Defense Ellsworth, in memorandums to the heads of the DOD components, made note of the personal interest of Secretary Rumsfeld in the fullest attainment of the

objectives of both the amended Freedom of Information Act and Executive Order 11652. He also advised each of the heads of Departments and Agencies to be alert for opportunity to assert leadership in pursuing the objectives of the Information Security Program through personal involvement and interest. The reaction to the views expressed by the Secretary are encouraging. It is my understanding that Department and Agency heads took immediate steps to urge senior officials to take an active personal interest in Program implementation. We are looking forward to the benefits which are expected to be derived from the renewed interest on the part of top level management.

We also initiated the action which is expected to resolve certain marking problems which the Department had frequently encountered. Acting on the Department's recommendation, the Interagency Classification Review Committee notified all Departments and Agencies of the Executive Branch to discontinue the use of markings similar to those mandated for use as security classification markings by Executive Order 11652 on documents which contain no classified information such as, for example, "Agency Confidential" or "Conference Confidential." In this same action and also on the Department's recommendation, the ICRC forbade the use of terms such as "Sensitive" as adjuncts to authorized security classification markings. The use of these markings by agencies outside the Department on documents transmitted to us had no real meaning and caused confusion on the part of recipients, with respect to what protective measures the originators intended be applied.

Since the ICRC notice was disseminated, our people have seen a much more improved situation and that is gratifying.

Let's now turn to the future. As many of you will recall, sources from both industry and Government recommended some time ago that there be established an index of all of the security classification guides issued within the Department of Defense. My office has for some time been working to achieve a

viable DOD-wide index of classification guides which are published within the Department pursuant to the specific requirements of the Information Security Program Regulation (5200.1R). We are now on the verge of achieving this long awaited goal. On July 6, my boss, Mr. Liebling, signed a memorandum which formally initiated the data collection effort necessary for the establishment of the data base for the automated DOD Index of Security Classification Guides. If all goes well with the computers, and I fully expect that it will, we should be in a position to publish our first Index during September. We are still working out the distribution arrangements. However, I can report that at least one thousand copies are planned for distribution within the Department of Defense. An additional number of copies will be available for distribution within industry, perhaps through the Defense Supply Agency's Defense Documentation Center.

The publication and use of the DOD Index of Security Classification Guides is expected to be of general benefit to all concerned. After publication of the Index, I expect that every project officer responsible for the development of the necessary security classification guidance will be able to undertake his task armed with the certain knowledge of the classification of other similar projects of systems, or of the absence of guidance in his area of concern. This, in turn, should go a long way toward eliminating divergent security classification determinations for essentially the same element of information in the same environment. Needless to say, I fully anticipate that the Index will more than pay for itself in terms of reduced man-hours required for the complex job of developing original security classification guidance. With better and more accurate classification guidance, we should overcome many of the difficulties we all encounter today in this vital area.

We, in the Department of Defense, are looking to increase our level of effort in the education and training of DoD military, civilian and contractor personnel in the objectives,



methods and techniques of the DoD Information Security Program.

Another of our goals is the further reduction of inventories of classified documents and materials with concomitant lower levels of expenditures for safeguarding.

We will also be accelerating the declassification of DoD classified information through increased and more wide-spread use of the Advanced Declassification Schedule by original DoD classification authorities.

One further future goal involves an increase of effort and effectiveness of our Information Security Program Reviews conducted by my office and self-inspections by all DoD Components.

Those Program goals which I have outlined are not self-fulfilling. But I need not point that out to you because all of you are professionals in this field. You know that goals are only achieved with effort and after completion of a number of specific tasks. In the months ahead, my office will be defining the tasks which must be accomplished to achieve our goals. Some of you, at least, can expect to be involved in accomplishing those tasks. As the hard core professionals of this Program, you have contributed materially to the Department's success. We will be looking to you for future support and cooperation as this great nation enters into its third century.

Thank you.

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Questions and Answers  
Following Mr. Van Cook's Speech

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Jim Bagley, R. B. Associates: Our long term future, in a crystal ball do you foresee any possible conflict in the implementation of 11652 with 11905? In reading both there is the possibility, I'm just wondering if you just see it as a possibility?

Mr. Van Cook: We were asked to take a look at that, Jim, and find what impact E. O. 11905 might have on the earlier

Executive Order. Although we could foresee no major conflict between those orders, we do see certain areas where we're going to have to modify language.

Paige Stagner, Ballistic Missile Defense Command: I understand the definition of Exemption Category 3 was being written or being designed to limit the nature of installation projects or systems or whatever. Do you have a definition of major installation of projects?

Mr. Van Cook: No. I don't have a definition of a major installation, project or system. But--you know and I know that Exemption Category 3 is overworked. If you're going to exempt, throw it in 3 because, in some way, it deals with or is related to installations, projects, or systems, you name it--Exemption Category 3 across the board. What we're trying to do is narrow it to say that the information must be of such importance that it will nullify the effectiveness of the system. So we have to be talking really about the information that gets into Category 3. If people will understand and accept what we're trying to do with the vulnerability concept, they would exempt only information which if revealed would nullify the effectiveness of the system. For example, consider information concerning a ground-to-air missile system. When you reveal the maximum altitude of that system you are really saying to the other guy, "If you fly above that altitude, you're safe," and so because of the disclosure the system becomes ineffective; it's nullified. We want to narrow that exemption category to include only that kind of information. We're still going to get into necessity for certain interpretations of what is a major installation or project. But certainly it must be one of high importance for the national security. You have a range for interpretation of what is meant, as we do with application of the criteria for Top Secret, Secret and Confidential, but at least the idea or thrust is to try to narrow that category. We're going to try to stay on top of that and see that people do not just throw everything into Exemption Category 3.

Fred Daigle, Lockheed Missiles and Space Company: Has any discussion or consideration been given to the base date for declassification of certain information? We have established thirty years as the down-grade or exempt and now you're coming up with a recommendation for twenty-five. Each year that we get a revised 254 or a revised guide in those departments the date floats another year.

Mr. Van Cook: Fred, I know that situation exists. You know the rules say that you carry the dates forward. We know we have some problems out there. The rules are there, but some people just don't follow them. When we go out on these program reviews, we're able to detect many problems and help to eliminate them. We'll continue to strive to have the dates of original classifications carried forward. We're going to keep working on this and other problem areas through the security education and training process which everybody here supports.

Dean Richardson, Texas Instruments, Inc.: I want to congratulate you on what I heard today, I think any change to E. O. 11652 will have a rather dramatic effect on cost in industry. I know the members of this Society would be pleased to comment supportively on the proposals that you have for changes to Executive Order 11652. I hope they'll let us get a crack at it.

Mr. Van Cook: Let me tell you something a little further on the status of that. The working group's initial job is essentially complete. The National Security Council staff is now developing a new Executive Order which will probably come to the departments of the Executive Branch in the form of a set of options. In other words, the NSC staff is expected to say that, because there wasn't full agreement around the table, there will be alternate Sections 1-A, for example, that will present options; opt for this or that, we are told that they're giving us ample opportunity--to review these proposals in the Executive Branch. I would hope that we can have industry take a crack at the proposals, too. I think that's important.

Burton Gates, Aeronautical Systems Division: This DoD Index that you discussed sounds like a great idea. I was just kind of curious how it was intended to be used by the industry or was it intended?

Mr. Van Cook: Yes. I wanted to get it to industry and I'll talk about that.

First, I'd like to publicly state here that the Navy created something called the Rankin System which is a great automated effort. They have taken their security classification guides and indexed them and cross indexed them. They have included such things as how many items in their guides are GDS, ADS, XGDS, and so forth. It's an elaborate system and it's a good system. We borrowed from the Navy to get the DoD-wide index system going, which is another automated system. So I want to acknowledge here that we are grateful to the Navy for the job that they did in getting up their fine automated system.

When you in industry want to know whether there's a guide on a particular subject in your sphere of interest, we would hope that you will be able to identify the guide in the Index and that the guides would be readily available to you from the Defense Documentation Center.

Allen Thompson, National Archives and Records Service: Art, you have spoken of this index, but I didn't catch what was the period density of your updating of this; is it quarterly, annually? What's your intention?

Mr. Van Cook: We're going to update the data base continuously so as to be able to generate quarterly and triannual reports, or indexes. By the way, one of the data elements that's in the Index is the date of the required annual review for each guide. Using this date, we'll generate a quarterly report called the "Annual Review Due Date Report" which will be furnished to the various DoD components as a reminder that the listed guides must be reviewed by the specified date. The main index, which is arranged according to subject matter will be published every four months.

By the way, I might point out that it was this Society that made a firm recommendation for development of the DoD Index of Guides two years ago. Except for a lack of resources, it would have come about sooner. The Navy effort was a big help.

Thank you very much.



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# DEPARTMENT OF DEFENSE PANEL

Moderator: Mr. Arthur Van Cook  
Director, for Information Security,  
Office of Deputy Assistant Secretary  
of Defense (Security Policy)

Mr. Frank Larsen,  
Head, Security Review and Classification  
Section, Chief of Naval Operations,  
U. S. Navy

Mr. George W. Paseur,  
Security Specialist, Classification and  
Safeguarding Branch, Information  
Security Division, U. S. Air Force

Ms. Elizabeth Heinbuch  
Assistant Security Manager  
Office of the Deputy Chief of Staff  
for Research, Development  
and Acquisition  
U. S. Army

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Mr. Art Van Cook, Director for Information Security: We're just going to talk about things of interest that are going on in the Department of Defense this morning. We have the military department representatives on the panel, and I'm sure you're going to have questions for each of these individuals. We thought that the format we would use is to talk to you a little bit about the Office, Secretary of Defense activities, the Department of Defense activities on the whole. Then each of the military department representatives will make their own views heard for a few minutes and we'll open it up to questions and see if we can't get some problems resolved. This is always a good forum to get things accomplished.

It's unfortunate that we have these seminars go on only once a year. I'd like to see them put on more often because benefits are derived from these sessions by both the Government people and industry people, and we welcome the opportunity to be here.

I mentioned certain things in my presentation yesterday. For one, the Executive

Order or the proposed changes to the Executive Order is the highlight of what we see coming down in the days ahead. We're all sitting on the edge of our chairs now, even those who participated in the working group, to see what is going to be presented to us by the National Security Council staff in the form of options, and we're very much interested in the language that's going to come out of this effort. As I mentioned yesterday, we will have an opportunity to staff the proposed changes throughout the Department of Defense. We will get industry participation in this, in some way, so that we'll all have an opportunity to examine the proposals and see what kind of an impact they're going to have on us in the implementation. I believe that you won't see any drastic change to the classification system as we know it. The introduction of Executive Order 11652 was, in my mind, a significant change, drastic change over Executive Order 10501. I don't think you'll see anything like that come out of this session. I think that probably the one thing that accelerates to some degree, the declassification process, will be a twenty-five year automatic declassification versus thirty, but we in the Department of Defense have been working with fifteen-year rules on some material which is scientific and technical in nature. My and Bob Wells' effort was to clarify language, to simplify and streamline wherever we could, to eliminate certain requirements that we think, after four years of experience, are just not productive. So, I don't anticipate any major revision. I don't think the changes that come down will appear on page 1 and, therefore, they are slow in coming. I think that if it was something like declassifying after one year or something with a like impact, that we'd have it out in a lot faster time.

I find in the Department of Defense Information Security Program that I need top level management support to get a job done. Now, recently, as I said, we got Secretary Rumsfeld on the record as supporting the goals of the Information Security Program, and that record was widely disseminated throughout the Department of Defense, so that any action I take from here

on in will be consistent with the Secretary's view. I think that's the way you have to work to get a job done. Whether it be in industry or Government, you must get top level management behind you and once you get them on the record and once you get them committed and once you get them to stir up the interest of the senior people, the job gets done. You must get that kind of support. Without top level management support, you can't move. We have Secretary Rumsfeld and Secretary Elsworth giving us the support we need and the senior officials in the departmental agencies have been requested by them to renew their interest in this particular program. Now, we think that benefits will be derived and we're anxiously awaiting the results.

We set goals for the Information Security Program. I think they're realistic. I think they're things that can be accomplished in a realistic time frame. The first of these, of course, is the finalization and operation of the system for compiling, maintaining and publishing an automated index of classification guides.

I mentioned yesterday that I thought we would have the first one out in September. We're going to achieve that goal, there's no doubt about that. I mentioned that we're going to increase the level of effort in education and training of the DOD, military, civilian and contractor personnel in the methods and techniques of the DOD Information Security Program. We have already talked to the Defense Industrial Security Institute; had the people up last week. We spent the whole morning with them in my office and talked about the current proposed changes and what is expected. We had a good exchange of ideas, and we're going to get moving on the road show, a three-day operation, to move around in the military departments and around the country. We're using the Defense Industrial Security Institute people to do this job, and they're willing and able to do it. This is one of the items, but we must do more. Security education is a big concern. I listened to Dean Richardson yesterday and the other members up here at the dais talking about their concern in

security education and training. That's the keystone. The key to this whole ball game. You write the rules and the regulations. Then you must help your people to understand them, and get people to apply them, and you do this through security education and training. So within the departments and agencies and defense contractors, we seek your support in moving to get a better, more viable security education and training program. That's very important here.

We have a goal, always have, of further reducing the total number of original classification authorities, but I want to put the Executive Director of the Interagency Classification Review Committee on notice now that I think the Department of Defense has reduced its classification authorities to a point where we're not going to see much improvement. I think we're down to the bare bones of reduction to the point where we can carry out our operational requirements in a realistic manner. We have less than five thousand people out of some three million, Department of Defense-wide, who have authority to classify. Only about four hundred and seventy-five of these have original Top Secret classification authority. It's those four hundred and seventy-five that can exempt material from the General Declassification Schedule. I don't expect that in the days and months ahead--although we carry this goal--that we're going to see any further meaningful reduction. I think we're at a point now where people have done a good massage job and we've got eight-five percent less classifiers, original classifiers, than we did under Executive Order 10501, under which Order we carried something over thirty thousand original classifiers in the Department.

Bob Wells mentioned yesterday that we think that by having less classifiers we will have less classification and a better classification product. We put these fellows with classification authority at a high level in the department. For example, you have the Directors of the agencies with Top Secret classification authority and in some cases the Deputy Directors. That's it. When you place the authority at that kind of a level we



think we're going to get a better classification product. We expect to do it through the classification guides and the guidance that goes to contractors. We have been looking at that and will continue to look at that very close. We would hope that we would have a better classification guide.

Somebody said that there was an objection to burying the 254C. As I approached this thing in the beginning, it was to get rid of that and build something to substitute for it; something that will give contractors a better classification guidance product. That's what that 254 game is all about. I felt that the 254C was nothing more than the old security checklist--and the way to go to a new product to get you a better shake on classification guidance is to scrub the old and invent a new. I was hoping that this revised DD 254 would be aimed in that direction. Our objective was to get you, in industry, better guidance. Our experience has shown that the 254's and guidance that has been issued to industry in the past is inadequate. That's the only way I can describe it. When my people go out to conduct a program review in defense industry they come back with that kind of description of the 254's reviewed. We got the message loud and clear--that you, in industry, need a better classification guidance package, and you people that are here representing Government must be aware of that. We must go to work on it. This is one of the tasks that we were talking about that needs to come out in a special effort to get industry the classification guidance necessary to get the job done. That's what the ball game is all about. Let's get the job done! If poor classification guidance is slowing that job down, and it's costing the Government a lot of money, something needs to be done about that. In the days ahead we'll be working on it.

Another of our goals is the reduction of inventory of classified documents. That's a continuing effort, but it's a goal and we continue to aim toward achieving it, but as we reduce by destruction or declassification or transfer to a federal records center to get it out of the inventory requirements,

more is being created. So it's a continuing process. It's something you have to continue to work at. Of course, if you let it pile up on you that's going to call for more safes, more guards, more money. So that we can reduce the classified inventories--and we can--we'll continue to work at it. We are going to work on a general acceleration of the declassification process by emphasizing the use of the Advanced Declassification Schedule. We're going to do that as a special project, and we're, of course, proposing that the Executive Order be changed to show that emphasis. Before that Order comes down, we've already got a provision for the use of the Advanced Declassification Schedule in DOD Regulations, and the ISM, and we can move ahead without the Executive Order and do the job. We want people to think more about declassifying information prior to the time called for by the General Declassification Schedule, and we're going to emphasize that by the imposition of special tasks in the days ahead.

The monitoring and self-inspection by DOD components--I'm sure the departments will be talking about that. In my office, we're going to accelerate this kind of an effort, that is, to get down to the military departments and subcommands and to the contractor facilities to conduct these program reviews and get a feedback as to the impact of the implementation of this program at the operating level. We need this kind of a feedback if the policy that we develop at the Office of the Secretary of Defense level is going to be meaningful. You can't stay up in an Ivory Tower and write meaningful rules and regulations when you are unaware of the impact those rules will have on those who implement them. So we'd rather be talking to people and tell them what kind of a policy we're anticipating, and asking them at the operating level what kind of an impact it will have if it came down. On that feedback, we'll form a conclusion as to whether or not it's a go or no go policy. We'll be accelerating our monitorship program. Bob Wells mentioned yesterday that the ICRC is now staffed where they'll be accelerating reviews in the Department of



Defense to include the military departments and across the Executive Branch. So the monitoring process is not only going on, but it's going on with great gusto.

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Presentation by

Ms. Elizabeth Heinbuch

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Within the Department of the Army, Security seems to have everyone's interest and attention--as evidenced by the Secretary of the Army directed inspection of the HQDA conducted during the period 1 September 1975 to 30 April 1976. His directive was carried out in two phases:

PHASE I - Featured a sampling inspection of selected staff action control elements to specifically identify the problem.

PHASE II - Consisted of an inspection checking for compliance with DOD 5200.1R and AR 380-5. Because of the volume of classified material within HQDA, it was impossible to make a 100% check of all classified material on hand. A conservative estimate of the number of classified documents within HQDA is: TOP SECRET - 47,937; SECRET - 209,229; CONFIDENTIAL - 266,700. Of these, approximately 59% of the TOP SECRET, 34% of the SECRET, and 24% of the CONFIDENTIAL material was screened for compliance with security regulations. The three major problem areas were:

1. Not marking documents with downgrading/declassification instructions or incorrectly completing downgrading instructions.
2. Failure to date, mark or control working papers and the marking of finalized documents as working papers.
3. Failure to properly mark paragraphs, subparagraphs, subjects and title when there

are differences in levels of classified information.

The error rate at the completion of PHASE I was 72.7%. A later sampling, after PHASE II, showed the rate to be down to 21%. The Army considers an acceptable error rate to be under 5%--our goal is 2%.

To obtain this acceptable error rate, we must have an intensive security education, training, and inspection program.

The Army has established at the direction of the ICRC a requirement for a quarterly summary report for the purpose of exploring new and innovative methods of insuring effective implementation of the information security program. I'd like to share with you several examples OACSI received for this quarter.

1. Action is underway in ODCSRDA to devise a "Secretaries Security Guidebook," to assist administrative personnel with the basics of the information security program. The Guidebook will be published in a "SHOW and TELL" type format as opposed to a straight narrative form.

2. Also in ODCSRDA during this past quarter, 11 security orientation-education briefings were held for all personnel. There was excellent participation--some 340 individuals, plus senior agency personnel, received the briefing. Five unannounced security inspections were also conducted with results transmitted through the Assistant Deputy Chief of Staff for Research, Development, and Acquisition. These are tried and true procedures, but they work for ODCSRDA.

3. Representatives of the Defense Security Institute in Richmond, Virginia have prepared a 3 day "Information Security Field Extension Course," and, funds permitting, are willing to travel with their "ROAD SHOW", so use them.

4. One Army element has had outstanding success with their declassification review which resulted in an appreciable decrease in

classified holdings and subsequent turn-in of 118 security containers.

5. The Army Security Agency conducted a declassification review project of over 2,000 linear feet of material in their retired records center. Of approximately 30,000 TOP SECRET documents, 16,000 were downgraded or destroyed.

Although difficult to quantify in most cases, it is interesting to note that the Army is making strides in reducing their classified holdings. During calendar year 1975, the Headquarters and Field Activities:

DESTROYED (TS/S/C) - 95,794 documents

DOWNGRADED (TS/S) - 3,900 documents

DECLASSIFIED (TS/S/C) -  
1,313 documents

For a reduction in holdings of

TOP SECRET - 4,666  
SECRET - 72,444  
CONFIDENTIAL - 41,000

The records declassification report for June 1976 submitted by TAG Center indicates that, of the 1946-1954 records, 29,250 linear feet were declassified to date with 21,750 linear feet remaining to be reviewed for declassification.

Significant steps have been taken by the Department of the Army to improve our information security program, but there remains considerable work to be done. Continued emphasis on education, training, and an active inspection program is the name of the game with the Army.

Finally, with regard to Art Van Cook's 6 July memorandum on the DOD Index of Security Classification Guides, OACSI has dispatched a letter to all DA elements on 15 July enclosing instructions for completion of the DD Form 2024 for each security classification guide for which the Army is the proponent. This initial data collection

effort will serve to establish the data base for the automated index.

So you see, my friends, help IS on the way.

The next step, Art, is to consolidate all individual service guides into single DOD published guides and do away with the conflicting guidance that we have now--depending on which services puts out the guide.

Thank you.

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Presentation by

Mr. Frank Larsen

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It's my purpose this morning to give you the facts, just like a now famous peanut farmer says, "I didn't come here to lie to you," so I want you to know what the Navy is doing, what we have accomplished in terms of real time. As Art mentioned, the key to any successful program comes from top management support and awareness. It also comes from, hopefully most of the time, centralized direction and control. We in the Navy feel very fortunate that with Admiral Holloway's personal interest - both as V. C. N. O. and now the Chief of Naval Operations - that the Director of Naval Intelligence has the singular responsibility for implementing the Information Security Program throughout the Department of the Navy. As most of you know, Admiral Inman had a personal interest in this facet of his responsibility. Just yesterday he was relieved by Admiral Harvey, who comes from joint duty with the D. I. A. as our new Director of Naval Intelligence. We anticipate Admiral Harvey's interest will be similar to that of Admiral Inman's. Well, within his assigned task and functions, and his part in the C. N. O. staff, the office that I'm with, the 009 DELTA--009 standing for Director of Naval Intelligence, and DELTA being the division that's responsible

for implementing the program of security and military information--we are able to centralize, and with that kind of support, control some fairly active programs. I think it might be significant to say that in preparing the briefing for Admiral Harvey as he comes in as the new D.N.I., four major point papers were prepared from our division. Of significance is that three of them related to your areas of interest.

For example, and not necessarily in order of importance, the Navy's ADP Security Program. Quite frankly, there isn't a viable one. It is piece-meal. Everybody has a part of the action. The magnitude of this area of concern may be best expressed by the fact the the Department of the Navy has three and a half billion dollars worth of computer equipment that they own. They spent fifty-two million dollars a year leasing programs and other ADP equipment. Now protecting this equipment and data from unauthorized access, alterations, misuse, destruction, is of great concern. Of course, as you have read, our concern is somewhat accelerated by the fact that the GAO, the Congress, Jack Anderson, and a few others, have sort of turned the spotlight on it. Well, of interest to you is that it is becoming more recognized that the proper programming for identification at the outset of classified information in any program is becoming an initial requirement. There was a lot of reluctance on the part of program officers and programmers to go the extra effort to set up programs that would insure, not only the proper identification of classified information, but set up programs that would insure its proper retrieval. This is a major effort.

Another thing Admiral Harvey is going to be told is our interest in security manager training. How often have we heard already of the concern about education and training in our particular field of interest. Well, our thrust is towards education and training of security managers with emphasis on the fact that they have a total program responsibility. Since the majority of the security managers'

concern stems from the initial act of classification and subsequent derivative actions, if the security manager himself has no awareness of the classification management process, he's way behind the power curve at the outset. So our thrust is going to highlight the aspects of classification management in security management training. What are we doing? Well, the one thing that has not been accomplished is the establishment with a formal course within the Department of the Navy for that kind of training. In the interim we are doing these things, however. We just reviewed the draft of a correspondence course for security managers. This will be put out by the Chief of Naval Education and Training. Our office, long known as a Navy security policy office, has risen from its chair and is moving out a little bit. We're providing field support; first within the Department of the Navy by going to Fleet Centers and talking to Commanding Officers, Executive Officers, security managers at command levels as well as the fellows who have security along with insurance officers' responsibility aboard a destroyer.

We held a conference here in San Diego last Fall for the Fleet. We had two in Norfolk. We're scheduled for Charleston and Jacksonville this Fall, and probably back here in San Diego next Spring.

Also, as you know, our office is interested in assisting those Navy activities who want to put on security seminars on a regional basis. It was our privilege to join Marilyn Griffin down in Panama City along with the Board of Directors from NCMS, and we're looking forward to going to the New London area the first week in October. We publish six Information Security Newsletters a year. We developed some tape-slide presentations, and this year we have budgeted a few thousand dollars for a security film, the script of which has not yet been produced. So education and training is a very active subject within our office.

The third thing I wanted to point out, of the four that Admiral Harvey will read about, is Rankin.



Two years ago I told you we were going to look at the computer for assistance in our classification program. As of today we now have on the street, dated 14 June, the third semiannual publication of the Department of Navy's index of security classification guides. This doesn't cover everything that the Navy is doing in a classified sense from two deficiency standpoints. Occasionally we find programs crawling out of the woodwork that we don't know about, but, we add them as soon as we find them. Secondly, we have yet to completely cover the intelligence field, particularly the compartmented area. But, steps have been taken to document and provide that kind of guidance in the future.

Rankin we approached from two standpoints; not only the publication of an index, but management data that we could perhaps find useful in monitoring our program. The second big phase is, if this was successful, could we put classification guidance itself in the computer. We think we can. On the 15th of May the Vice Chief of Naval Operations tasked the Director of Naval Intelligence to be the single source of promulgating all classification guidance in the Department of the Navy. We're going to do it with computers. Funds have been allocated, installation is underway, and by the first of November we will have a secure remote terminal in our office, and it's hooked in with a computer at the Washington Navy Yard. We'll start making direct inputs, on an on-line basis, of all of our basic Navy classification programs.

Objective? Well, first of all we believe we're going to get increased coverage. Secondly, we're going to make it available to all of you on a real-time basis. We'll be able to update and correct on a moment's notice. We'll be able to better monitor those things that our program officers think are classified, and what's more than that, we're going to save money. This is a cost-effective program. It's costing us sixty-five "K" a year to set it up and operate it. It's being done without any additional resources in our office. But, would you believe that, because of the fact there's

only going to be one instruction with annexes coming out of the computer instead of some three to five hundred separate instructions and letters produced by some nineteen promulgating offices in the Navy, I think administratively we look for at least a hundred and twenty-five thousand dollar savings a year.

So, Rankin has its many facets and many pluses. We believe that it still needs to be proved, still needs to be done as far as Phase 2 is concerned.

Another part of monitoring which Mr. Van Cook referred to, we have a thing called a Security Discrepancy Notice which is becoming more and more used. Those of you connected with Naval activities know what I'm speaking about. It's not a violations notice. It's a notice whereby one command or recipient can go back to the originator and say, "Hey, I don't understand why you marked this this way," or, "Do you really mean that it's classified?" And, of course, we've asked that, on the interchange of this kind of a notice between Naval activities, that copies be sent to 009 Delta. That gave people a lot of heartburn as you can well understand. So we told them to obliterate the addressee, to obliterate the reference. We don't care. What we really want to know is where are the weaknesses in the program; where is it we need to throw efforts in educating people, whether it be in downgrading and declassification, or proper identification of source materials or whatever. It's kind of been like a snowball. Once people got the idea that this was a self-help program to try to raise the standard of quality within the Department of the Navy, all of a sudden we're now getting an average of--well, let me put it this way. Our last quarterly ICRC report to Mr. Van Cook showed five hundred and fifty-three copies of these discrepancy notices. And I think they were coming in at the rate of about forty a day. Now, we think this is a good thing because it makes everybody aware that there is such a thing as proper identification of classified information.

Inspection programs? We start with a Naval Inspector General, and there is a requirement with added emphasis on the areas of classification management at all subsequent levels of command inspection within the Department of the Navy.

A couple more things about the efforts that we get involved in which I think helps the classification process. Our offices oversee the Department of the Navy declassification team's efforts, in support of their work for the Archives in records declassification. Some rather interesting statistics come out. I know we'd like to play with them. This last quarter, for example, the DNDT finished reviewing all Naval Intelligence records from 1882 to 1945. The Secretary of the Navy approved continued protection of some eight thousand six hundred and eight-three thirty-year-old documents. I know that sounds like one heck of a lot of material. But, the key to that figure is it's only less than one and a half percent of what they reviewed. Mr. Thompson can tell you that through 1945 over ninety-eight and a half percent of all Naval Intelligence records have been now declassified. Is that right, Al?

Mr. Thompson: That's right.

Mr. Larsen: In addition, the DNDT has been now working on the forty-nine to fifty time frame. And we find, with some interest, that they're declassifying ninety-five percent of the stuff. What's that tell us? It tells us the closer we get to real time, the less we're declassifying for obvious reasons. But, nevertheless, I think the figure ninety-five percent is very significant.

One of the happy jobs we have is security review. In the last quarter we cleared almost twelve thousand pages of Congressional and non-Congressional material that went through our office.

In sum, in our strong belief that we classify information and then mark documents, Rankin is telling us how many items of information the Navy uses that are

classified. The first time that aspect has ever been addressed. Our management data that we have in the computer tell us, for example, of the three hundred and fifty-two guides that were active in 1972. Eighty-five percent of those line items were classified. Today, fifty-two percent are classified. So our efforts to make people justify the act of assigning a classification, we think, is paying off in terms of items of information, and I don't give a darn how many documents are counted, that's a ridiculous exercise. We're interested in what it is that we want to protect--information--and then protect it properly.

Thank you.

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Presentation by

Mr. George W. Paseur

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When we received the invitation to participate on this panel, I jumped at the opportunity, not just because I wanted to come to sunny San Diego, but because I found over the years participating in seminars, conferences, security courses, that I benefited greatly in the ability to get my job done. I learn a lot from speakers and the information they impart, from discussion with others who have mutual interests, but, primarily, from the contacts, personal contacts, that I've made and sustained over the years.

Art discussed yesterday the evolution of the classification program beginning in the United States, but I do think we should go back to the Executive Order 11652 publication. At that time we took a very close look at the Air Force implementation of the information security program, identified some problems, and started working toward direction of those problems. We specifically found that the biggest problem was knowledge on the part of the people who were creating classified documents or who were

publishing classification guides. Since one of our primary goals is to improve the quality of classification guidance, develop and distribute it through the Air Force and Air Force contractors, with the end goal of insuring accurate or correct assignment of classification and information generated within the Air Force, we looked at the best means to indicate and motivate our people in the requirements of classification. This past year we feel we made a big move in the right direction. Prior to March of 1975 our information security program within the Air Force was directed by the Director of Security Police under the Inspector General of the Air Force. In March of 1975, we had a reorganization which removed the Director of the Security Police, assigned him a new title, the Office of the Chief of Security Police, directly under the Chief of Staff's Headquarters. In moving up one level, we obtained increased exposure which resulted in the added emphasis we needed throughout the Air Force to implement programs which we think will improve the overall safeguarding of classified information and the overall implementation of security programs.

In the education area, we have supported fully the Defense Industrial Security Institute courses at Richmond. We have used every allocated space since the implementation of the course. We have also supported very strongly the implementation of a three-day course which during the past year we were able to sponsor two segments at which we trained about two hundred and twenty-five of our Air Force personnel. We also implemented a program with Headquarters Air Force for educating all the new Air Staff action officers and new generators of classified documents who come into the Air Force. They will be educated and receive training within the first six months of their assignments. Additionally, a personal letter from General Sadler was sent to each Top Secret classification authority within the Air Force advising them of the interest of the Secretary of Defense and the Government in reducing to the minimum classified information generated or originated within the Department of Defense. We have received excellent response from this action.

Our new status as Special Staff Agency under Chief of Staff Air Force has enabled us to become much more involved with monitoring of security programs throughout the Air Force. For example, during the last four months we conducted staff assistance visits to the twenty Air Force activities where we have conducted in-depth program reviews in the information security area to include classification management. We feel this program will continue on an accelerated basis and we'll be able to visit the majority of our Air Force activities primarily involved in the classification and generation of classified information on an annual to eighteen month basis. Additionally, in an effort to get a better handle on the program, we implemented a new Security Manager Program in the directive that we use to supplement Department of Defense Directive 5200.1-R and AFR 205.1. Specifically, we assigned the Security Manager responsibility to the senior security police official in each Air Force installation from the Air Staff level. We didn't give the Commander the authority or the prerogative of deciding who he wanted to be Security Manager. We outlined the program for the Security Manager and assigned him the specific responsibility for the overall monitoring of the information security program activities and services. He's responsible for insuring that subordinate security managers are appointed throughout his organization and for conducting orderly Security Manager's meetings and chairing those Security Manager's meetings. He's responsible for preparing and distributing to all personnel the minutes of the meeting which are also used as a security education tool to keep people up to date on the changes as they take place in the information security program.

We had a little adverse reaction on the part of some commanders when we initially implemented the program, but we find it's working very effectively at this time. I can comment, as Frank did, on some of the specific action we are taking in the classification management areas for used classification holdings. Like the Navy, we also have a program to review historical records. Last year, we reviewed practically all of



our classified documents and declassified over seven million pages of classified records or historical records. We have five personnel assigned to the review program, three of them are in the Washington area working with the Archives and two are at Maxwell University. As we get into the newer classified material, we are declassifying a smaller percentage, but it is not that great of a reduction percentage.

I think that covers the points I wanted to make.

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Mr. Van Cook: Well, there you have it. We have changed. There's been a drastic change, I think, in the program since Executive Order 11652 was promulgated in 1972 and, looking at it from my vantage point, I see nice things happening in the Department of Defense and defense industry--a greatly improved information security program!

People are doing the job they're supposed to be doing and we're all talking to each other. There's good communication, and we think we're moving in the proper direction and we're getting the job done as a team, particularly this particular body of people who are the professionals in this game, the hard core professionals, you should be quite proud of yourselves because your diligent efforts are paying off handsomely.

We'd like to open this up to questions addressed to any one or all of us.

Bob Behr, Foreign Disclosure Policy Officer, Headquarters, ASD Wright Patterson AF Base, Ohio: I'd like to address a question to Mr. Larsen or Ms. Heinbuch. You named a pretty impressive number of documents which have been declassified over the last months of years. What happens to these declassified documents after you made your determination to have them declassified? Do they become the public domain? Does the

Navy retain or the Army retain copies? I'll give you an example. I live off your bread and butter, but there were some declassified Harpoon drawings which belonged to the Navy, obviously, which were declassified, but when I wanted to work with them and use them, the Navy sent me a letter back saying even though they were declassified, the Navy retains strict cognizance over each and every transmittal of those documents that we might need.

I'd be interested to know what happens to the declassified documents as far as the general use is concerned.

Mr. Larsen: There's two actions involved. First of all, the classification determination, and the classification determination may or may not include a public release determination which is separate and distinct. The basis for the request for classification review sometimes asks for both actions, but a strict declassification of a document based on a classification review without a public release determination doesn't mean that the documents automatically go into the New York Times, or whatever. A public release determination is a coordinated effort with all interested parties including the Office of the Secretary of Defense before that determination is made.

Mr. Behr: Do you, in any form or shape, mark a document which the Navy owned? In other words, if they're not for public release, the absence of such a statement then automatically means that they are retained under the cognizance of the Navy or are they available for public release, if requested.

Mr. Larsen: The originator of the information or the document is responsible for that information. It belongs to the Government and if there is a desire to have a public release, it's a separate question. It is not distinctly marked. Merely because something is not classified, doesn't make it automatically available for release.

You see, you got two entirely separate and distinct questions. There's nothing

marked on the document that says you cannot release it, it's inherent in the fact that it's Government information and the Government will determine when and where it's to be released. Whether it be a request under the Freedom of Information Act, whether it be for publicity purposes, whether it be for requests from a contractor for a brochure, or whatever, but that's separate and distinct from the classification aspect.

Mr. Behr: Does your office get involved in that?

Mr. Larsen: Yes we do. For example, a lot of unclassified documents that belong to the Government are exempt from requests as a record under the Freedom of Information Act because they're unfinished staff memoranda that were a part of the decision-making process and not the decision itself, and therefore not an official record subject to the Freedom of Information Act. So there are many facets to this business of release that are separate and totally distinct from the declassification action.

Mr. Van Cook: May I remind you that under the Freedom of Information Act, there are nine exemptions, one of which being classification--remove classification, you at least remove one bar to public release--but there are eight other exemptions that may come into play and also you have the International Traffic in Arms Regulation which is the export rules for unclassified information as well as classified.

G. P. Morgan, N.S.A.: Art, I think all of us have an interest in that recent court case that was heard before Judge Green, the Federal District Court in D.C., where it seems that an attack was made on the case where compilation of unclassified data can become classified. Will you comment on that case and what impact it's going to have on the policy that permits classification of a compilation of unclassified facts.

Mr. Van Cook: I'm glad you brought that up. There was a case recently, in fact, the complainant was a member of the

National Classification Management Society. The plaintiff in this case, I can't recall his name, he said in a report, that he sent, I'm sure, to a lot of people, that the Court agreed with the plaintiff that the classification on this particular document and other like documents was plainly counterfeit. In the same report, on the reverse side, he included the Court's written opinion. Now, if you read the Court's opinion, which I just happen to have, the Court said that the following are the undisputed facts: The document is as an entity classified Confidential. That's an undisputed fact. The Court also said in the opinion that the Court need not reach the question on whether the documents were in fact properly classified, and thus not subject to disclosure. So you see in this particular case, Judge Green never doubted the classification question and that was the whole case. The plaintiff was testing the compilation theory, and he never got his test. Nor did the Government get its test of the compilation theory. The Court ordered that he be provided, because of that part of the act which deals with segregable portions, that he be provided with each unclassified entry. We could have taken each unclassified entry and put it on a three by five card, shuffle it, throw it in a hat and hand it to him. I said that such a course of action is ridiculous. I said as long as we're ordered to give him each unclassified entry of the two-week compilation of an index to scientific and technical documents, in light of the passage of time, 1974 was the date of the document he was asking for, in light of the fact that the effect of the Court's order would be a wide dissemination of the substance of the document, reevaluate it on that basis and declassify it, and we did. We declassified the document. It was handed to the requester and they charged him six dollars or whatever it costs for reproduction. So it had no real effect on the compilation theory as I see it. And the next request that comes in, whether it be from this particular individual or another, will be handled on its merit. The particular document in question was an index to the Technical Abstract Bulletins. It comes out every two weeks and then it is put into a quarterly,

and the quarterlys are put into the annual and it's a part of a continuum and the continuum is classified and where we're going to cut that off, so that it doesn't reveal the magnitude of our R&D effort and the state of the art on various important programs, will have to be a day-by-day decision, but the business of the Court saying that the classification was ridiculous was never addressed by the Court. So that's the way we worked it and the compilation theory stands until it is court-tested and we see what comes out of it. But we never had our test, nor did the plaintiff.

Mr. Larsen: What about the Supreme Court?

Mr. Van Cook: Well, the application that went to the Supreme Court was for a Stay of Judgment until such time as the Government could go in on appeal and the Court denied that application, so we complied with the Court's order. That was that. It made the appeal moot in light of the Supreme Court's decision. So that's where we stand with that ball game. As a compilation we still feel that it's not what is contained in the document, it's what the document reveals and in our way of thinking it reveals the magnitude of our R&D effort and the state of the art of various important programs and we'll get our court test out of that in the days ahead.

Bob Donovan, Optical Coating Lab, Inc.: On that question of indexes, as you know, for many years the index was not classified, could you possibly give us a little of the historical rationale that led to that decision? Speaking from the industry's standpoint, at least, my experience is that the particular decision, certainly among the professional librarians, technical librarians, has been hotly debated over the years, and has been a sort of problem and conflict within industry because of the fact that for so many years it was not, then it was.

Mr. Van Cook: You're talking about the Index.

Well, at one stage of the game, in fact, we have to go back to about 1964, there was a study, a very detailed study, out of the Defense Supply Agency which involved input from the intelligence community and the RDT&E community and conclusions were reached that this listing shows all of the documents which go into the DDC, Defense Documentation Center, by title, by author, and ties the author into the contracting activity.

One-third of the documents listed in that particular one in 1974, that the plaintiff was looking for here, were classified, some of them were provided to us by foreign governments. And this kind of compilation it was determined, as a continuum over a period, would give a clear indication of the magnitude of the RDT&E effort in a particular area, for example, high energy lasers. All of the documents dealing with radar or infrared imagery or other things give a clear indication from the titles as to where we stood in these various areas which is of value to hostile intelligence collectors. And they determined that there was a clear basis for classification of this kind of compilation and it should be protected against unauthorized disclosure. We still think that the compilation reveals enough about our own efforts that we lose a lead time advantage when you reveal this kind of information. So we think that the basis of the classification for the compilation is solid. But, in this particular case, it never got its test. It's a very valuable document when you think about a quarterly--I think there are over three thousand items in the particular one requested--and when you think of this coming out on a quarterly basis or an annual basis with the titles clearly indicating what our RDT&E effort is all about, it's a very valuable document. As a result of this court decision, we are looking at another way of putting that index out. We may go to something like making available only parts of it to people who have a particular sphere of interest. We're looking at alternative methods so that we don't have to deal with this kind of a problem in the future.



Robert M. Wells, Executive Director, Interagency, Classification Review Committee: I was very impressed with some of the figures this morning. I was hoping that the next yearly reports will reflect those.

In my presentation yesterday, I expressed the fact that we have a distinct interest that sufficient funds and personnel are provided to implement the program. We had a lot of cutbacks and invariably it seems that the first people to go are the security specialists. I wonder if you, and perhaps the members of the service, can address what impact this has within their own departments?

Mr. Van Cook: This is a continuing problem. I just recently had occasion to talk to the panel members here about such things. Here again, it's probably very important, as I said, to get top management support for your program and belief in the goals. For example, Admiral Inman, who is leaving Naval Intelligence and is going to be the Vice Director of the DIA, gave a vast amount of support and when there were cuts in the Navy, the security classification specialists were not bothered. We have had some reductions. There was some reduction in the Air Force. You know these offices at the departmental levels are small and if you lose one man, you're in trouble. It just increases the workload on those who remain because the functions don't disappear. Requirements keep coming in and the bodies are going out and that doesn't work. You try to do the job and carry out those functions and people still try to hack away at your resources.

Liz, I'm going to talk about the Army. I know you're not in the Office of the Assistant Chief of Staff of Intelligence and you are representing him here today concerning his programs. In the Army we have a real problem in the Office of the Assistant Chief of Staff for Intelligence. There have been times when I tried to contact the people in the information security area by phone and got no answer. However, the matter has been brought to the attention, just in the past week, to General Aaron, who is the senior official in the Department of the Army,

responsible for the implementation of this program. But, we are concerned that the requirements that we have coming down in the days ahead can be fulfilled. I have been able to bring these matters to the attention of the senior officials of the Department. The primary mission, in the case of the Army--he's the Intelligence guy and he's concerned pretty much about intelligence, and security classification or classification management often times takes a back seat to that primary mission. So, we must keep our program in front of them all the time and tell them that at the higher level--the top management level--we are concerned about the implementation of the program. We can't sit down and tell that guy how to set his priorities. He must do that. The Secretary of Defense must do that as well as each military department senior official. So we certainly can keep our goals up front and let them know of our concern. We are responsive to the Interagency Classification Review Committee and must always be in a position to be responsive to that Committee and to the Congress. So, we have a problem, a people problem, and I'm sure that goes all the way down the line. I encourage each of you here to get your top level management people on the record to support the goals of the program and once that's done, I think that your personnel problems will be alleviated somewhat.

Fred Daigle, Lockheed Missiles and Space Company: I'm addressing this to Art Van Cook. When the last change to 5200.1R revised the paragraph classification requirement, all of a sudden it made a lot of Christians out of many of the departments of the military. This was the first time that they have recognized it as a paragraph classification marking requirement and they've been fumbling around trying to implement it. We still have contracts which exempt paragraph classification markings. What the problem seems to be is the lack of consistency and what the methods of paragraph classification markings are. I collected five different directives in the last two months and not any two of the five interpret 5200.1R the same way. The question

I'm asking is has the problem been brought back up to you, both the inconsistencies, and can we do something about clarifying it, because nowhere can you find technical editors that will agree with what a paragraph or a subparagraph really is or how it's constituted.

There is a problem in the implementation, not the fact of implementation, but the methodology, that we cannot seem to get any uniformity in applications.

Mr. Van Cook: The problem has not come to our attention.

Mr. Daigle: Let me clarify by way of an example. On introductory paragraphs, you have to put a marking in the beginning which represents what is in all the subparagraphs that follow.

Mr. Van Cook: Yes.

Mr. Daigle: Then you have to follow it with a marking of what's in that paragraph alone.

Mr. Van Cook: Yes.

Mr. Daigle: The two markings seem to confuse.

Mr. Van Cook: You just clearly stated what it meant.

Mr. Daigle: I know what it means. But I'm having trouble getting it through.

Mr. Van Cook: That's an education problem, I take it. I don't see that you are giving me something to change the regulations. Our objective of putting it into 5200.1R in such detail was to try to get uniformity for carrying out our marking procedures. It's just the fact that some people don't understand and that's a problem of education. Are you objecting to the language of the Regulation and saying that I need to revise it to make it clearer?

Mr. Daigle: Yes, I guess primarily I do not, and never have, understood the requirement to mark an introductory paragraph with a classification of information that would appear seven or eight pages later in a document.

Mr. Van Cook: You're talking about continued from the same paragraph?

Mr. Daigle: Yes. Some paragraphs continued for a hundred and fifty pages.

Mr. Van Cook: We're jumping from a paragraph marking to a page marking requirement. I think the rules are clear.

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## DEFENSE SUPPLY AGENCY PRESENTATIONS

Presentation by

Col. Jack G. Pruett  
Executive Director - Directorate of  
Industrial Security DCAS/DSA

### THE EXPANDING ROLE OF INDUSTRIAL SECURITY

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First, let me thank all of you for inviting me to this meeting. As many of you know, I have been in my present job for less than a year. In that short time I have come to appreciate, more than ever before, that there is no such thing as the status quo--at least not for Industrial Security. In some areas we regress. For example: resources. In other areas we advance. For example: additional missions.

It is not too well known but in Fiscal Year 1962, there were 1,534 persons identified within the Army, Navy and Air Force who were performing functions related to the program now identified as the Defense Industrial Security Program. In 1964, after the Contract Administration Services became a reality, the Services identified 873 positions directly related to this one program. Actually, there were 728 personnel then assigned to this program in the CAS organization in 1965.

Now we are here 11 years later with two additional programs to administer and a number of organizational elements added on with a total authorized strength of 687. We are truly living up to the slogan that says... do more with less! To others, the question is... how much more before the saturation principle forces us to be less than responsive?

Many of you are also aware that last July we initiated a new requirement in the Defense Industrial Security Program. Contractors are now required to conduct self-inspections between visits by the cognizant security office. We have had to reduce the frequency

of our inspections. At present, my staff is analyzing whether this reduction in government inspection frequency is causing any change in the security posture of industry. By September we should have a handle on this first year's impact.

### REGIONAL REALIGNMENTS:

During the past year, there have been a number of organizational changes in our Regional offices. The most significant has been the reduction in the number of DCASRs from 11 to 9. This resulted from a merger of Los Angeles with San Francisco and Cleveland with Detroit. As a follow-on to these consolidations, Utah and Arizona were transferred to DCASRs St. Louis and Dallas, respectively. Lastly, the greater New Orleans area, including parishes in eastern Louisiana, was transferred from Dallas to Atlanta. The transition has been quite smooth.

We have also redesignated our Industrial Security Office at the Region Headquarters. It is now known as the Directorate, Industrial Security. Some additional changes are taking place at the regional level but the points of contact remain basically unchanged.

### HEADQUARTERS REALIGNMENT:

At Camerson Station, we have also undergone some organizational changes. We now have two divisions in the Executive Directorate. One handles all aspects of the Defense Industrial Security Program and is appropriately named the Industrial Security Programs Division. Its Chief, Bob Green, is sharing the platform with me today.

The other division is the Industrial Facilities Protection Programs Division. You'll note that I used the plural--programs. This element has responsibility for the Defense Industrial Facilities Protection Program and for a second program dealing with the safeguarding of conventional Arms, Ammunition and Explosives.



Matters which are common to both of these division, such as education, training, career development and the compilation of management data, are being handled by a small Program Support Office.

I find it interesting that despite the addition of two new DoD programs and the addition of three field elements, the Headquarters unit is still at the same strength it was in 1965 when we administered just one program and one field extension.

#### DEFENSE INDUSTRIAL SECURITY TRAINEE DEVELOPMENT PROGRAM:

In recent years we have had some concern that a large number of our skilled personnel are becoming eligible for retirement. In fact, our most recent study shows that 43% of our professionals will be eligible for retirement between now and 1981. A centralized training program was authorized in Fiscal Year 1975 to run through 1980 to enable us to provide trained replacements for these losses.

After a two year centrally funded and controlled training program, the trainee will be assigned to one of the permanent positions which may be vacant. Twenty-two trainees are now on our rolls at Cameron Station; however, all have trainee duty stations in the Regions. As these people transfer to permanent billets, we will then replace them with additional trainees.

#### INDUSTRIAL FACILITIES PROTECTION PROGRAM:

This brings me to the two new programs that have been added to our mission - the Defense Industrial Facilities Protection Program and the Safeguarding of Conventional Arms, Ammunition and Explosives.

First, it should be understood that there is a Department of Defense Key Facilities List which identifies certain facilities which are clearly essential to the support of military operations, mobilization and defense production programs. While the list itself

is a classified document, we may say that selection of these facilities by the government is highly discriminatory...and we are talking about a relatively small number of facilities. The criteria for identifying a facility as 'key' is established by the Joint Chiefs of Staff. The bulk of them are facilities having to supply raw materials, services and utilities, rather than defense contractors.

This program is designed to encourage and assist management to strengthen the physical security and emergency preparedness posture of their facilities. We want them to take measures to protect themselves or at least reduce their vulnerability, from such things as sabotage, espionage, terrorism and other hostile or destructive acts. We also attempt to get management to develop emergency preparedness measures. In this program we are dealing primarily with physical security matters. Such things as: security forces, perimeter barriers, alarm systems, protective lighting, visitor control, critical area protection and fire protection as well as countermeasures to kidnappings of corporate executives, hostage situations and other terrorist acts. It is also expected that management will take measures to minimize damage resulting from enemy attack. Overall policy responsibility for this program is assigned to the Assistant Secretary of Defense (Comptroller); however, his designee for providing policy direction and monitoring implementation is the Deputy Assistant Secretary of Defense (Security Policy). As with the Industrial Security Program, the Defense Supply Agency is tasked with implementation of this program as well.

Our Industrial Security Representatives call on management periodically to conduct comprehensive surveys of these facilities. Subsequent to the survey, a written report is provided which renders suggestions to management to improve their security posture.

The program is receiving new emphasis and several innovations are being developed

to assure that this emphasis prevails at all levels.

A DoD Regulation is in the final stage of review by OSD; a handbook which provides comprehensive guidance to management on all aspects of facility protection is about ready for approval; a new survey form has been developed and a new procedure has been designed to improve our letters to management. Incidentally, we have received many requests for the booklet entitled "Industrial Defense Against Civil Disturbances, Bombings, Sabotage." This booklet, which was published by the Office of the Provost Marshal General of the Army, is now out of stock. We are working on an update of this publication and hope to publish it as soon as possible.

#### ARMS, AMMUNITION AND EXPLOSIVES PROGRAM:

The Arms, Ammunition and Explosives Program for which we are responsible in all DoD prime and subcontractors, is designed to reduce the theft or loss of these items. While we had initiated a program of inspections in contractor facilities under our plant cognizance in 1970, in October 1974, the Secretary of Defense formally assigned the job to the director, DSA. We are charged with the responsibility for assuring, through an appropriate inspection program, the safeguarding of conventional Arms, Ammunition and Explosives which relate to contract performance and are in the custody of DoD prime or subcontractors.

We are developing interim operating instructions to standardize procedures and establish uniformity in the implementation of what is still a voluntary program within industry. As soon as contract clauses are placed into being, then compliance with standards will become mandatory. Just when that will come to pass we do not know.

#### ADP SECURITY REQUIREMENTS:

Now back to the program which concerns most of you--the Defense Industrial Security Program.

Not since the implementation of the changed storage requirements and the revision to the DD Form 254 in 1968 has there been such a furor created as has taken place with the publication of the new ADP security requirements. We are getting all kinds of feedback--which is good. As long as we can keep communications open, both industry and government will benefit.

I am talking about the new Section XIII which appeared in Change 3 to the Industrial Security Manual published last November. By now most of you are familiar with the new ADP security provisions so I won't dwell on this area. A few significant points, however, can be made:

1. Initial approval of the system by the cognizant security office is required before the ADP system becomes operational for processing classified information. Subsequent changes to the system require reapproval.

2. All contractors who wish to use their ADP systems to process classified information must develop appropriate coverage in their standard practice procedure.

3. Area controls must be maintained where classified information is in the system. This requirement is generating sufficient problems which has triggered a joint study by my office and representatives of OSD. It won't be long until we publish additional guidance in this area.

4. Audit trails are necessary--whether they be manual records, automatic logs or a combination makes little difference so long as they are adequate.

5. We are defining the term "user" in an item of the Industrial Security Letter which will be in the mails on 27 July 1976. Personnel who only use computer products, but have no access to the system, are not normally considered ADP system users. What we will be telling you is that, for the purposes of this section, a user is an employee of the contractor, not a contractor facility, who interacts with the ADP system

via a terminal or through a batch process mode.

We will be doing a lot of studies on the impact of this new Section and I'm sure you'll be hearing a lot more from us. Feedback is important and we hope to develop and disseminate a matrix which identifies the main characteristics of an ADP system and depicts the safeguard versus risk tradeoffs. We know we have a long way to go, but with your help, ADP security can be mutually rewarding.

#### FOREIGN OWNERSHIP, CONTROL AND INFLUENCE:

Contractors have informed us that literal compliance with a reporting requirement on a foreign ownership, control or influence, now in the Industrial Security Manual, has created a hardship in industry. The requirement is that the contractor report any change which affects the information previously reported on the DD Form 441s. Industry requested that cognizant security offices be afforded some latitude in this area which literally requires submission of a revised DD Form.

We have responded and we've issued a revised procedure to the cognizant security offices. The procedure permits the cognizant security office to accept a changed condition DD Form 441s in which the contractor need only address those factors that have changed without including previously furnished information which has remained constant. We plan to publish an item in a forthcoming Industrial Security Letter with more details. In the meantime, if you must submit a change, contact your cognizant security office for advice.

#### FREEDOM OF INFORMATION ACT

A number of contractors have expressed concern that reports they submit to the Region or to the Defense Industrial Security Clearance Office, under requirements of the Industrial Security Manual, would be released. As you probably know, Public Law 93-502 (Freedom of Information Act) requires in part, that certain kinds of documentary ma-

material or records must be made available to the public. Public Law 93-579 (Privacy Act of 1974), requires in part, that federal agencies permit an individual to (i) gain access to information pertaining to him in a federal agency's records, (ii) have a copy made of all of any portion of the records and (iii) correct or amend such records.

The Assistant Secretary of Defense (Comptroller) has approved a new footnote to the Manual which addresses these disclosure requirements. This footnote will be published shortly as a Manual change and in the interim we are putting it out in the next Industrial Security Letter due on 27 July 1976. Rather than read you the details, I suggest you await the letter. Generally speaking, the footnote will provide some relief to the concern some contractors have expressed.

#### CONCLUSION:

I have attempted to give you a sort of status report and update of the programs for which we have mutual concern. I'm sure you have all wondered when I was going to get to the subject of classification management--I'm about to do so by proxy. Bob Green has made certain I wouldn't step on his presentation by carefully censoring mine. After Bob's presentation, we'll both be available for questions.

Thank you!



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Presentation by

Mr. Robert E. Green  
Chief, Defense Industrial Security  
Program Division, Directorate of  
Industrial Security DCAS/DSA

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At an NCMS National Seminar several years ago, I voiced an observation that the Seminar was only 15 minutes old when the specter of the DD Form 254 was raised. This Seminar was 20 minutes old. The point I wanted to make then was the preoccupation with the DD Form 254 as the panacea for all classification management ills. Looking at it in retrospect, I see now that with this preoccupation there was a growing realization in our community that classification guidance does not begin with the DD 254 and the common frustration of security managers in both government and industry over an inability to obtain appropriate guidance for those planning and development phases leading to the award of contracts and the attendant requirement to develop a DD 254 for use by the contractor. This situation has improved gradually as witnessed by the increasing number of formal classification guides issued by DoD activities. There has been a significant increase also in the quality of guidance being written and we look forward to the day when such guidance will be readily identifiable and accessible through the Proposed Computerized DoD Index of Security Classification Guides. All of which leads to a somewhat logical assumption that, since more and better guidance is available as a basis, the DD 254 is now a more accurate and useful vehicle for conveying classification guidance. There is no doubt that today's product is far superior to that of, say, 10 or even 5 years ago.

But, obviously, the DD 254 can still be improved; not only in direct relationship to the formal guides on which it is based, but also in the design and utilization of the form itself as an extension of those guides. Let me read to you a recommendation that has been made for such improvement. "The Security Requirements Check List (DD Form

254) should provide for more specific identification of the classified elements of procurements, and contain more comprehensive 'narrative type classification guidance.' When do you suppose that recommendation was made? The title of the form "Security Requirements Check List" should give you some clue--we haven't called it that since Change I to the Industrial Security/Manual, 1 May 1968, when the title was changed to the present Contract Security Classification Specification." Actually that recommendation was made by Subtask Force #12 of SECDEF Project #60 in February 1963. Many of you are aware that the Project 60 was the study that led to the consolidation of industrial security functions, among other things, under the Defense Supply Agency and ultimately to the establishment of the Office of Industrial Security, now the Executive Directorate Industrial Security, DCAS. At the time of this recommendation, classification guidance for industry hardly justified use of the word "guidance." The 254 was a check list as its name implies. In its execution, it failed to provide the specifics necessary to full understanding of its intent. Further, at that time the concepts of classification were not understood or acknowledged by many who had classification authority. There was virtually no educational material or opportunity on "how to classify." The problems were manifold and it is safe to say that the objectives of the classification system were not being realized.

The wheels of progress being what they are, the concept of "narrative" guidance did not impact on the DD 254 until that 1968 change to the ISM. At that time, the DD Form 254c was introduced which provided for a combination of check list and narrative presentation of guidance. Unfortunately, this approach was not a resounding success. Perhaps it should not have been expected to be since the project officer preparing the DD 254c is normally preoccupied with the more technical aspects of the procurement and presumes that that which is understandable to him from the check list is conveyed by some mystical osmosis to the contractor without further narrative elaboration. Notwithstanding the

fact that the DD 254 continued to be an imperfect vehicle, some progress was being made as a result of a wider understanding and use of the formal progress/project classification guide. This version of the DD 254, for the first time, provided for the incorporation, by attachment, of other forms of classification guidance applicable to the contract.

This historical recital brings us up to date. What is the next chapter in the life of the much maligned DD 254? As most of you know, the Executive Directorate, Industrial Security is responsible not only for the formulation, coordination and promulgation of the Industrial Security Manual, but has been tasked by OSD to monitor the application of the DoD Classification Management Program as it affects the industrial contractor. In this capacity, our field representatives at the DCASR level review copies of all DD 254s furnished to industry. Over the past several years, these reviews have suggested further change to the DD254. Additionally, we have received numerous suggestions from individual contractors and professional societies, such as the NCMS, for improvement of the form and its use.

As a result of our experience and industry suggestions, we prepared another refinement of the DD 254 which has completed its coordination cycle and will be forwarded to OSD in the near future for approval to publish. Some of the current changes are administrative in nature and are designed to assist us in DCAS in automating classification management data for use in responding to OSD and to Congressional inquiries. Major changes are proposed in two areas which we believe will be of interest to you.

First, the DD 254c is being eliminated, thus removing completely any vestige of a check list. Guidance will be furnished as a complete narrative or by an attached program classification guide or portion thereof directly applicable to the contract performance. In either case the information must include a clear and precise identification of each item of information which requires classification, the level of classification,

the schedule for downgrading or declassification, the date on which the material will be declassified and, if exempt, the category and identification of the official who authorized the exemption. The latter item may possibly be eliminated if proposed changes to E. O. 11652 are accepted and implemented.

Comments received during the coordination cycle indicate that there is some apprehension (primarily at User Agency level) that the strict narrative requirement will be time-consuming and subject to much interpretation. Time-consuming--possibly, but there is already a DoD requirement that program guides be written. This change merely enforces that requirement. The situation is not unlike the recent TV commercial in which your friendly neighborhood garage mechanic says "Pay me now or you pay me later." Either write a narrative program guide in advance as required by DoD Directives or be forced to write it in the form of a DD 254 prior to contracting as required by the ISM.

With respect to the trauma of having to write narrative, I suggest that the objective is not to produce a literary masterpiece, but to convey in layman's language those events, situations, characteristics, or phenomena which require security classification. Having spent considerable time as a Government classification manager, I am convinced that when a classification manager and a project manager can sit across the table from each other and reach a verbal understanding of classification requirements, the reduction of that discussion to a narrative guide becomes a mechanical process. The apprehension expressed may reflect the fact that too much guidance is written unilaterally by project managers without benefit of consultation with classification managers. If this is so, the opportunity for either party to exercise the initiative to communicate is self-evident.

The second area of change concerns the requirement to include in the DD 254 the declassification date of each classified item. This feature we believe will do much to

eliminate the long-standing problem of perpetuating classification by advancing the dates of original classification with each new contract or document originated. However, success will depend largely on the User Agencies establishing and maintaining a uniform date for original classification from which to compute downgrading and declassification. Unless this is held, the CM Program cannot be successful in the long term.

Before leaving the subject of the DD 254, I would like to acknowledge the significant contribution of the NCMS and a number of its individual members to the evolution of the current form. As early as November 1974, NCMS made extensive recommendations to OSD. These comments were made available to us and were used in our considerations, along with the supplemental NCMS comments furnished directly to us in March 1976. While we were not able to adopt all of your recommendations for a variety of reasons, the general tenor of your suggestions and the product which is now proposed we feel are consistent in most respects. We believe you will recognize the improvements which will bring the 254 closer to the basic concept and objective of classification guides and make it more consistent with the type of guidance required to be issued by the Government for its own uses. Even those suggestions we could not adopt were useful in that they made us reaffirm the position we were taking on controversial items. We hope you will continue to assist us in this way.

I referred earlier to the previous lack of training opportunities. This condition was rectified to some degree in 1973 when we were tasked by OSD to prepare and present an information security management course designed to provide basic training, for Government security managers principally, in the concepts and techniques of classification management. Since the pilot course in June 1974, a total of 1,363 students have attended this course. This continuing high rate of attendance at both resident courses at the Institute at Richmond

and Field Extensions, despite an unfavorable economic climate, encourages us to believe that the course is effectively meeting its objective.

No discussion of classification management from the industrial viewpoint would be complete without a few observations concerning the role of the industrial security specialist at the field level of our organization. Colonel Pruett referred earlier to a reorganization of our field structure which is currently in the process of being implemented. As with most management improvements, one of the prime objectives has been the better utilization of resources and possible manpower savings. For several years, we have had a dedicated position in each of the DCAS regions for the sole purpose of assisting in the implementation and administration of the classification management program in industry. This function includes a review of classification guidance furnished to contractors for completeness and possible inconsistencies, a suspense system to insure that notice is given to the annual reviews of guidance, and a service to assist both contractors and the Government in resolving classification problems, particularly when more than one User Agency is involved and a coordination point would be useful. It is still too early to predict what the full impact of reorganization will be on our ability to continue with dedicated CM positions. Let me assure you that changes which may become necessary in this regard will not represent any reduction in our commitment to the objectives of CM and our desire to be of continuing assistance. In short, you may be dealing with different people in the future, but support to the function will be undiminished.

We appreciate this opportunity to again share in your Seminar and we hope that future meetings will be as constructive for you as our past association has been for us.



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Questions and Answers  
Following Mr. Green's Speech:

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Dean Richardson, Texas Instruments, Inc.: I have a question, Bob, about staffing. To do the job that you want to be done, which I think is admirable, however, I think we should really pause before you issue this new guide and think a little bit on what you said this morning about there was a ten-minute difference between when the subject of the 254 came up at a past seminar and when it came up this time. There was also a comment that you made saying that there has been improved guidance. I think there has been, and the reason there has been is because there's been an educational tool at the hands of the procurement officer, who is probably a GS11--maybe a GS13, not likely--who has a bunch of other jobs to do than write a 254. That's been an educational tool for him. It's been a check-off list for him to follow and then to discuss with his counterpart, with his opposite number, on the technological side and say, "Hey, what about this aspect?"

If he doesn't have something to check off against, he's not going to know what kind of questions to ask and the guide for the engineer and the scientists, he's not going to know what kind of information to volunteer. So, I'm saying, "Hey, pal, this is a great idea," but we got to stand up to procurement officers with intelligent--I'm sorry--with educated people to know how to write a guide like this, because, otherwise, we're going to go right back to where we were before, where we didn't really have any guidance, and I'm afraid what you're going to see is a copy of Frank Larsen's guide that's going to go out through a vendor who is building a frame. And all that vendor needs is a little piece. Because there isn't time, and there's not a check-off guide, the vendor's going to get a copy of the Headquarter's-developed security guide attached to a 254.

I want it to work. I think it's fantastic and I hope it all the best, and I'm going to do everything to make it work, and I think

everybody here will, but I think we're a little bit premature. I think we ought to give that 254c a little chance to get a bit more narrative, add to the 254c, expand it, put some questions on the 254c that would clue the writer of the narrative as to the right questions to ask. I think you're taking this crutch away.

Mr. Green: That wasn't a question, but I'll answer it anyway.

I think we're concentrating a little bit too much on the form itself and not the concept and the philosophy of writing classification guidance. Now, I'd like to go back a few years and give credit to one of our former members--two of them, I guess--Don Garrett and George McClain.

A few years ago they wrote a very excellent DOD handbook on the writing of security classification guides. Unfortunately, that handbook fell into disuse and I doubt now that it's still available, except for some archives' copies of it. I have a personal copy myself; many of you do probably also, but that was the perfect document for anyone who has the responsibility of writing classification guidance to use as a signpost or a road map through all of the considerations that need to be taken before you reduce your classification guide into writing.

It was, in fact, a checklist. It had just about every conceivable situation addressed, it had every time phase addressed, it had many of the technological areas addressed. That's what's needed. That, I think, is what you're pointing to. To try to support that in the ISM, we plagiarized a good portion of that which dealt with definitions in the technical area. What we meant by altitude, what we meant by lethality, a number of other terms that are used in military hardware procurement so there would be some understanding and some standardization of that sort of thing. I don't think we could do that adequately through the use of a form. What's needed--we addressed it several times in these two days--is a massive education program for those people who are

tasked with the responsibility of writing the classification guidance so that the product that comes out, whether it's in the form of a guide or a 254 or what it is, it says what it means to say to the contractor who's doing the job. We have a provision in the revised manual pages that will authorize the attachment of a complete guide, if that is what's necessary, or any portion of that guide, if that is all that is necessary, and the option there is with the user agency that writes the guidance for the contract. If the contractor needs the entire classification package for the weapons system, he'll get it. If he needs only a small part of it, that's what he'll get.

Frank Larsen, Head Security Review and Classification Section, Chief of Naval Operations: I think, Bob, some place between what Dean said and what you philosophized about back in terms of the pamphlet that Don and George made up, the feeling is that in Government, unless somebody has a directive-type of requirement, nothing's going to happen. I don't care how many brochures you put out, they're nice to read, but they're no use. In the Navy we took a part of Don and George's book, plus some other ideas we had and wrote a CNO Instruction telling the people not only that they had to produce guidance for their program, but how to do it. You might consider, and this is what I'm leading to, you and Art Van Cook, sitting down and making the military departments and defense agencies establish a requirement to tell their people not only what to do but how to do it. It worked in the Navy.

Mr. Green: I agree with you and we will do that. We have suggested things along that line in the past. But let me draw a frame of delimitation, if you will, as far as DSA is concerned. We can only observe what is going on in the DOD and other agencies. We can recommend to the DOD that certain changes be made. We are not responsible for that. It doesn't prevent us at any time from making a recommendation for the guide book and we will do that.

But, the direction would have to come from Mr. Leibling's office in the form of DOD Directives. Then we would pick it up and implement it in the Industrial Security Programs for those portions that would be applicable to industry and reinforce the DOD requirements, as we are now attempting to do, in reinforcing the DOD classification management program and assisting with the user agencies in giving the proper kinds of guidance, the timely guidance, to the contractor.

George Chelius, McDonnell Douglas Astronautics Company: I'd like to ask a question. There was the new 254 that you suggested is going to be sent on to OSD. I know industry had numerous comments, two of which were to eliminate the DODAAD number and the anticipated cost of the contract. Did you take those recommendations and delete those from the form?

Mr. Green: We did not delete them, we took them into consideration. Let me give you a little rationale as to why we needed those. We talk about the DODAAD number and the dollar value. The DODAAD is less important since it's merely a means of identifying organizations, the Government contracting activities, with the contract. The most important of those administrative details is the dollar value. Now, it was not clear in the paper that we had that we were asking only for the dollar value of prime contracts. It will be clear when it comes out in the final form. The reason we do that is strictly self-preservation. And our self-preservation, we like to feel at the Executive Directorate, is in your best interest. The entire DSA structure is based on the dollar value of commodities. When General Simon and Colonel Pruett go into General Vaughn's monthly management review, and all the charts flash up on the board, everything is cast in terms of dollar values.

When Industrial Security charts come up, all we can talk about is numbers of cleared facilities, numbers of clearances

granted. No relation, not in the same context as the workload indicators for the rest of DSA.

We felt it would be to our advantage and ultimately to yours, since that's the form in which our resources, our workload indicators, are ultimately determined, that it would be to our advantage and yours, if we could show the dollar value of prime contracts that fall under the security cognizance of the Office of Industrial Security.

It's a surprising figure when you look at contract administration across the board. We have security cognizance of approximately four hundred percent more facilities and contracts than DCAS has contract administration cognizance. They are limited in their cognizance area. We have security cognizance virtually across the board and those figures we think will work well to our advantage. It is relatively easy for the individual preparing the 254, with the contract in his hand, to know what the projected dollar value is. When the contract is awarded, he knows what the actual dollar value of the contract is. It does give us a good management tool.

Mr. Chelius: Why have the DODAAD number in there? I mean, it adds nothing to the security. It's only for your computer program?

Mr. Green: That's right.

Mr. Chelius: And what is going to happen when we have to send out an RFP? Do we have to put that DODAAD number in?

Mr. Green: That will not be carried into the subcontracting level.

Mr. Chelius: That will not go down to the subcontracting level?

Mr. Green: Prime contract level only.

James Bagley, R. B. Associates: Do I understand, Bob, that the dollar value comes into play when the DD 254 is written and that

you are, in a sense, implying that the DD 254 would not be written until after the contract is awarded?

Mr. Green: It could only be placed on a 254 that's issued after the award of contract. It could not be placed on a 254 that is written for --

Mr. Bagley: Six or eight months in advance --

Mr. Green: Obviously could not be.

Mr. Chelius: What are you going to do then? Are you going to place that responsibility on the contractor?

Mr. Green: No, that's the user agency responsibility.

Mr. Bagley: May I ask a question and be specific? A DD 254 is being written for a contract. It goes into negotiations and maybe six months later, after the thing shakes down, a contract is awarded, in which then there is a number applied. Are you implying then that a new, a revision of that 254, has to be written to include the new number?

Mr. Green: No, sir, I am not.

Mr. Bagley: All right, then. Secondly, add-ons, succession things. In other words, you got a purchase order-type contract, printing purposes, for the sake or argument, where you have a contract written under GPO for a year and it goes on for a year and you haven't the foggiest notion what it's going to be by the end of the year.

Mr. Green: There are many circumstances in which we will not have an absolute contract value. There's no question of that.

Mr. Bagley: Then the need for contract value is purely permissive, not mandatory?

Mr. Green: In most circumstances where it is known, we would like to see it



put on the 254; we'll be looking for it. However, we recognize that there are many circumstances where it will not be known. It's not an absolute. We're not looking for perfect dollar values in the contracts that we administer.

Mr. Bagley: It is a permissive requirement then on the originator of the DD 254?

Mr. Green: If the information is known, it is not as permissive as you imply. Permissive only to the extent that it is available at the time of the 254 being prepared or being revised.

Bob Neal, TRW: You then plan to make the DD 254 classified where it is required because of that value?

Mr. Green: If any user agency indicates that the dollar value of that contract is classified, then they have the prerogative of not including it in the 254.

Mr. Neal: You said so in the Laser Program, DOD, anything over five hundred thousand dollars will be classified. Then they will have classified DD 254's so you can keep records that really have nothing to do with security.

Mr. Green: Well, I dispute the fact that it won't have anything to do with security, but the fact remains that there will be occasions if that would cause classification of 254, then we would not insist on that information. We could not insist upon it. We don't want classified 254's.

Bruce Erickson, Department of Defense: I regret that I had to be away, getting some dental work done at the time you were delivering your address, so you may have answered the point that I'm raising here.

Last night I was talking to an individual from a contracting firm. They brought out a problem and being a neophyte in the security game, I pass it on to you. The question revolves about, let's say, company "A" is bidding for a particular contract. The

particular government agency or activity which is arranging this, specifies what company "A" considers to be ludicrously high security standards or precautions which are going to cost the taxpayers a great deal of money. But, there's a general hesitancy to remark about this because the contract may wind up to company "B".

Is there some kind of means to insure that these points are brought up in a way that the issuing organization in the government does not feel that this is a hassle factor and that they want to escape from giving this contract to company "A"?

Mr. Green: I can only repeat to you what Joe Liebling has said on numerous occasions-- that he refuses to accept the idea that any procurement officer, any project manager, in the Department of Defense would take such umbrage at a question raised by a contractor or even a potential contractor, that it would impact on the eligibility or possibility that that contractor might be awarded a classified contract.

One of the reasons we have classification managers and security managers in the DOD is to insure that project managers write reasonable, cost effective, security classification guidance. If such guidance is issued, we hope that we, in fact, can recognize that it is not consistent, it is not rational, it is not cost effective, and bring it to the user agency's attention. That is one of our objectives. It's a goal that's not always reached, but nevertheless, it's still an objective. And then, I would hope that any prospective contractor who receives that invitation to bid with what he considers to be an improper, inadequate, inconsistent DD 254, would have the sense of responsibility to bring that to the attention of the user agency and hopefully there would be no repercussions at his having called attention to that error. I can't say, I don't know that any one of us can say positively, that it will inhibit the award of a contract. I don't like to think that it ever would. There are checks in place, at the user agency; we have the means of checking, and these people here

in the audience representing industry have the means of checking the viability, the accuracy, and the consistency of the 254 they receive, regardless of whether it's in an invitation stage or a contract award stage.

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## LIBRARY GROUP PRESENTATION

### EFFECTS OF INFORMATION SECURITY REQUIREMENTS IN TECHNICAL LIBRARIES

**Moderator:** Mr. Urban Sweeney  
Manager, Technical Library,  
CONVAIR

**Panelists:** Mr. W. L. Campbell  
Supervisor, Company Technical  
Document Center,  
Hughes Aircraft Company

Ms. Carol Finney  
Manager, Defense Documenta-  
tion Center, On Line Service  
Facility, DCASR, Los Angeles

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Our topic is the effects of information security requirements in technical libraries. I don't know how many of you are connected directly with the technical libraries, but I assure you that, because of its very nature, the technical library is deeply involved with security because of our function, because of our collection. It is one of the problems that we have to constantly be aware of our duties to meet security regulations. There are no shortcuts that we can take. The regulations don't spell that out clearly for us and we have to comply with them. I'll stay within our own organization at General Dynamics. We're fortunate that we have a Security Department that works closely with us. I think it is essential to have a good working relationship between Security and the technical libraries, because there are always unforeseen things that crop up, and when you have good working relationships, you can usually find these things out and get a procedure that's acceptable to all concerned.

I think that there is perhaps a glimmer of hope on the horizon that offers to us perhaps a method of controlling classified documents. This has to do with automation and computers and in our case it will be with an on-line system that hopefully we will

have in our library, and, I think, will offer some relief so that we will have a better grasp of what we have; how we can get to the document; how we can downgrade them or declassify them, and so forth. I will be discussing this a little bit later. However, I'd like to get on with the program.

We are allotted one hour. I would suggest that the two panelists will give their presentation, and I'll give a brief idea of what we have in mind at our CONVAIR Division, and then the session will be open for questions or comments from the audience. I would suggest that as we go along you jot down anything that comes to your mind and then you can present these. We, hopefully, will have enough time--save enough time--to have your participation. I know it's an interesting topic, so I'm sure we'll have a lot to talk about.

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Presentation by  
Ms. Carol Finney

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Greetings to the National Classification Management Society members and special librarians who are attending this morning's session.

As I understand it, Jo Anne told me when you are up here on this platform, regardless of the topic listed on the program, you can pretty much talk about whatever you want to talk about. This is good for me, because for one thing I don't really see my relation to the topic here on the program, and it gives me a good opportunity to talk about one of my favorite topics, the Defense Documentation Center--in short, for us, DDC.

Just as a capsule review of DDC, I like to look at it as a central collecting point for all research and development documents generated by Defense Department funds, whether by contract, subcontract, grants, or partial grants. DDC accepts these documents; it classifies and assigns distribution codes or statements in accordance with the wishes of the sources and monitors; it



catalogues, indexes, preserves on microform, and stores the documents in part on two 1108 UNIVAC computers for subsequent retrieval, mobilization through reference retrieval, and, eventually, distribution by either hard copy or microfilm or microform to DDC users. Now you say, just who are DDC users? DDC users are essentially those who contribute documents to the DDC data banks. They are those who have active government contracts and those who have potential contractor's certification, that is, the potential to contribute constructively to government programs. These contracts are then listed or registered with DDC. This, then, is DDC, full cycle.

But, there is another facet to DDC, and this is the Research, Development, Test and Evaluation on-line information system or RDT&E which concerns itself with distributing DDC's stored information to users in a matter of seconds. There are seventy-one terminal sites currently connected into this system as part of RDT&E. There is still a newer facet to DDC, and this is my topic, the Defense Documentation Center On-Line Service Facility which has its first location in Los Angeles. Subsequent to this, there are two other such sites: one in Washington and one soon to be opened in Boston.

The location of the Defense Documentation Center On-Line Service Facility is at the Defense Contract Administration Services Region at 11099 South La Cienega Boulevard in Los Angeles. It's in Los Angeles for a test period to be completed November 1st of this year. It opened for business on July 28th of 1975 and it spent six months in an unclassified mode and then moved in another six months, beginning May 1st, into the classified phase of the test. It is here to serve contractors directly: potential contractors, small contractors, and large contractors alike. This office brings two of DDC's main data banks to the Los Angeles area, and to some in San Diego as well. These data banks are the Technical Report File and the Work Unit Information File. The Technical Report File has in it about a million references all

searchable on-line with the latest ten years of these citations with abstracts on-line for display.

The active Work Unit File stays static at about twenty-five thousand references. I say static since, as new work units move into this file, the completed and terminated work units move out into the Technical Report File, theoretically, as finished, formally written, technical reports.

The On-line Facility brings both unclassified and classified references by dedicated line directly from Washington, D.C. Response time averages about thirty seconds and can be as fast as five seconds. The purpose of the terminal is to offer a one-to-one interaction with data through a cathode ray tube display on a Uniscope 100. The L.A. office is a classified terminal site, in other words, for on-the-spot DDC retrieval. It is also here to find answers for DDC users to any DDC related questions and problems, and for offering DDC services which might be in any way helpful to contractors. The emphasis on terminal visits has been set up as the major evaluating factor for this test period. That is, just how valuable is it to scientists, to engineers, and to library staff to have DDC classified and unclassified ongoing and finished technical research information at its fingertips.

One thing DDC has no intention of doing through this office is competing with anyone. The office has been established in an attempt to not only make a terminal connection to DDC data banks available to contractors, but to save technical librarians and their staffs as much time as possible related to Defense Documentation Center products: be it the paperwork of forms, intermediary time of expressing searches secondarily, mail time by ordering BIBS and documents over the terminal, or by identifying documents to save time involved with tab look-up. It is a service office to help with DDC matters. If it can't be of help, then there is no reason for its being in L.A. But, if it proves to be a help, and this is reflected by visitors to the terminal, then there are many

thoughts already working which should make this service even better. Two of the things I can tell you about which ought to make the service better immediately are more office help and a faster printer. I didn't mention the COP - Communications Output Printer - because for my purposes it is a little bit slow at about three hundred and sixty words per minute. It's also a display first, then print later operation which ties the terminal up for any other operation while it is printing. By necessity then, an arbitrary limit has been set of about ten reference printouts for a terminal-generated bibliography. But, the printing can be done so long as the printout adds up to an unclassified output.

It is recognized that there are a number of drawbacks to a one-person office, of course. In that visitors come first, other services must fall into an order. Identifying documents is a large, constant demand, but a service which can be done quickly. It receives second priority as does providing cataloging data for Bill Campbell's completion of the Form 55 needed for limited documents.

I might also say that we're trying hard to perfect a computer generated Form 55. The computer could generate cataloging data necessary and other information particularly applicable to this form. Next in order then, are new DDC registrations with emphasis on potential contractors and the small businessman, company visits, listening for feedback from users to supplement services for Los Angeles or DDC overall, product problems, document orders, and, last, telephoned search orders, whether for fast AD number references over the telephone, or for batch mode.

There are also a few inconveniences to users connected with this one-person operation. One of the biggest, I guess, is the recording telephone, which is regarded by most as an insult if not as a nuisance, or vice-versa. But, it is essential to keep track of requests when I might be just as far away as the mail room or when the terminal is operating in a classified mode. There's

a rule which says that no telephone communication will be conducted while the terminal is operating in the classified mode, since the telephone is not only a distraction, but a transmitter as well. One visitor at a time is a built-in limitation, too, since all visitors to DDCAS region office must be escorted. And I guess you can see what could happen with drop-ins or an overlap in scheduling.

The security aspects of the terminal are rather straightforward. Every visitor must have a visit clearance letter filed in the office in advance of his visit. Usually these can be made for six months duration, since the test is only going to last that long anyway, it's sort of a one-shot thing. If a visitor is to be limited in any way by his company to a particular contract, it should be on the visit clearance letter, otherwise the company's field of interest register (FOIR) becomes the visitor's FOIR. Then from there on it is up to me to see that the searching is conducted within this company's or individual's field of interest.

Of course, no written notes are permitted at the terminal and no printouts on the COP of classified data elements are made. This is because the logistics of mailing becomes difficult; it takes more personnel and very few scientists and engineers are couriers, and neither am I.

After searching is finished and a perfected search strategy has been decided upon, bibliographies can be ordered directly over the terminal to the fullest security clearance of the contractor under the contract that the search has been made. Documents can also be ordered immediately. We have an unwritten agreement of sorts with company libraries that the libraries will be checked first to see if the document is shelf listed already, then, if it's not, we go ahead with the order.

The visitor's identity is carefully checked for me by DCAS Region security staff at the entrance and, in most cases, I have had previous contact with the visitors. Almost everyone checks to see if the computer is up and operating that day.

Our own terminal operation is controlled by log-in and log-out procedures which must coincide with the computer-generated log. Let me tell you this computer log is constant and cannot be denied. This sums up the security aspects of the terminal.

Bibliographies of work units and technical reports are still free at DDC. However, there is a minimal charge for the documents or microforms.

Now, bibliography delivery time we are sort of proud of. When documents and bibliographies are ordered over the terminal, it saves about half the time of that of the mail route. The bibliographies are ordered one day and processed that very night by the computer. They are assembled by the special staff during the early morning hours and they're ready for mailing by noon of the following day.

So far, at least securitywise, things have been rather dull at the terminal. I guess I should be glad about that. I have recognized no industrial spies, nor has anyone tried to overstep his bounds in any way, for anything. Most of the visitors are too busy being swept along by the work of handling proposal replies or else getting started on a new contract and, therefore, we have very little time for anything but bona fide work.

Thank you very much.

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Presentation by  
Bill W. Campbell

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At your meeting of two years ago, a panel of librarians and other interested parties discussed the question of retention of classified material, which we librarians felt was necessary for the best interests of our customers, namely, agencies of the United States Government.<sup>1</sup>

<sup>1</sup>"Library Council Looks at Maintenance of Essential Classified Technical Information," Classification Management, V.10 (1974), pp. 35-52.

Retention implies having obtained the documents to begin with, however, and I would like to discuss that aspect of documentation as well as how documents have to be handled after they are obtained--all in answer to the kind invitation to discuss the effects of information security requirements on technical libraries.

Such an open invitation tempted me to bend your ears with my own list of woes concerning classified documents, but I managed to resist, and instead talked with several of my counterparts in other prominent aerospace firms. The result is a reassurance that I have not been singled out for preferentially bad treatment, but rather that we librarians all have encountered essentially the same problems, and need the same relief from burdensome regulations.

The following are problems we have in common, and are in no particular sequence:

1. Obtaining limited documents is still a serious problem. The Defense Documentation Center is the custodian of these so-called L-documents, but DDC is not our problem; in fact DDC has a history of being cooperative and of trying to do the best job possible. DDC got us some very tangible relief by getting the acquisition routine shortened. Briefly, to get an L-document, the following was done: 1) we filled out a Form 55 and sent it to our Project Officer for his endorsement; 2) the Project Officer endorsed the request and forwarded it to the releasing agency; 3) the releasing agency endorsed the form and returned it to us; 4) we added a Form 1 request card and sent the two forms to DDC; 5) DDC sent us the document. This took usually six weeks on up to several months to accomplish, and, of course, either approving authority could deny the request.

It was always amazing to me how frequently the person whose signature I needed was on furlough or something and the form would stay on his desk for weeks before some



action was taken. Then, if the Project Officer gave his approval, the same waiting game would go on while the releasing agency made up its mind whether or not to approve.

DDC managed to get the first part of the routine shortened. We now send the Form 55 to DDC, which verifies that we have registered the contract we are requesting the document on, and that the contract includes the subject field the requested document has been assigned to by DDC, and also the proper security level. If there is a match, DDC so notes on the Form 55 and forwards it to the releasing agency. Thus, half of the waiting period is saved. Unfortunately, not all releasing agencies recognize this as a legitimate modification of procedure. We have had L-document requests returned to us for lack of endorsement by a project officer. One librarian at least, upon approaching the project officer for an endorsement after being denied by the releasing agency, was requested to fill out a new Form 55 and, essentially, to start the process all over again.

If anyone is unfamiliar with the Form 55, it is an 8-1/2 x 11" DDC form with space for a great deal of information about the document wanted, a need-to-know, information about the requesting organization, the government sponsor, and the releasing agency. Form 55's are costly to fill out, but we wouldn't mind that so much if there were still some assurance that we could get the document in time to do the requester any good.<sup>2</sup>

2. Documents necessary to respond correctly and most competently to a Request for Proposal are difficult to get, and especially to get in time to have the desired effect. As one librarian said, "We are poorly served as to literature for contract proposals." Common problems are various, and all of

them are not always present, but include the following:

- a. Information in the RFP is sometimes incomplete and/or inaccurate as to documentation recommended, so we frequently have difficulty identifying what is needed.
- b. The agency(ies) wanting us to submit a proposal usually do not supply the documents along with the RFP. It would serve everybody's interests best if the RFP package actually included all of the required documents.
- c. Contractors should be able to register RFP's with the Defense Documentation Center, so that (when there is time), we could get necessary documents from DDC to help us give the government the best possible answer to what it wants.

The above may seem to be wandering afield, but it is all part of the difficulties of a sort of governmental paranoia regarding safeguarding classified information. We contractors are denied reasonable access to documents, even to those documents which a potential customer (the government), who has invited us to bid, deems necessary to providing a valid proposal. The customer (the government) frequently allows very little time to reply, so that the engineer is even more hard put to respond competently. And we must go back to the retention of already-acquired documents, which we all-too-frequently have had to destroy, but which would come in very handy now.

To sum up about Requests for Proposals, the potential customer (the government) doesn't seem to appreciate the informational

<sup>2</sup>In the May 1976 issues of Technical Abstract Bulletin and Government Reports Announcements, which list the reports indexed by the Defense Documentation Center, approximately 660 of 2060 documents (32%) were of Limited Distribution. Thus, in this sampling, nearly one-third of the documents we contractors have to refer to are of the type discussed here.

needs of the engineer who wants to respond to the RFP to the greatest benefit of the customer. The customer is working against himself.

3. I mentioned retention of classified documents. Without repeating the presentation of two years ago, I would simply say that in some ways the matter of retention is worse now than it ever was. From the Government's point of view, security inspectors can well point with pride at how contractors have destroyed thousands of "unneeded" documents. We did not have them tied to a definite active contract, so obviously we did not need the material.

This is false economy. It's somewhat like saying we didn't need that case of oil in the garage because it wasn't being used in the car at the moment.

Since our presentation two years ago, several cases have been reported wherein needed documents, written by a company's own employee, had been destroyed due to the current archaic retention regulations.

4. Another information security requirement having an adverse effect on technical libraries has to do with the downgrading and declassification of documents. The intention of Executive Order 11652<sup>3</sup>, as I understand it, was to alleviate the overclassification of documents situation. In the case of former Group 4 documents this was undoubtedly the effect. We were able to declassify many documents much more rapidly than we would have under the original time schedule. On the other hand, agencies were required to take another look at the downgrading schedule of their various programs and to exclude from automatic downgrading where the new rules so indicated. It was natural for the people who had to make interpretations and decisions to be

on the conservative side perhaps, but the net result was that entire subcollections of documents were put into the exempt from automatic declassification category. Downgrading and declassification is now taking several years longer than would have been the case. Of course, the matter may no longer be important when declassification time comes, as we won't have the documents anymore anyway. The principle for the free flow of information will have lost again.

5. Actual marking of downgraded material is a problem of proper administration. As I understand present regulations, the following apply:

- a. When downgrading documents, two items should always be shown: the authority for downgrading, and the person who did the actual downgrading. This is no problem, but
- b. Pre - 1 June 1972 material will or will not be re-marked when taken from file or storage for any use (other than administrative purposes such as inventory), as follows:
  - Group 1 or Group 2 material will be re-marked EXCLUDED FROM GDS.
  - Group 3 material will not be re-marked, but will be downgraded to CONF at 12 year intervals. This material is not automatically declassified.
  - Group 4 material will be re-marked for General Declassification Schedule (GDS).
- c. Without going into any more boring details, post - 1 June 1972 material is marked in another way.

<sup>3</sup> "Classification and Declassification of National Security Information and Material," published in the Federal Register, V. 37, No. 48, 10 March 1972.

d. **RESTRICTED DATA or FORMERLY RESTRICTED DATA** materials must be marked with the new RD and espionage stamps if not already marked with the old espionage stamp (why two different stamps anyway?). Actually, espionage is no longer espionage, but is national security information. If the material is dated after 22 January 1973, though, it doesn't matter; the new stamp must be applied anyway.

e. Regarding microfiche, if one or both of the above stamps are changed, the microfiche envelope must be marked accordingly. It is also important to know if a document has been microfiched before or after having been downgraded at some previous time. Many a reproduction shop has had heart palpitations when, upon making hardcopy from an unclassified microfiche, it has found some apparently classified pages on its hands. Such occurrences can't really be helped; I only mention them to illustrate that microfiche, which are being used more and more, present their own special problems in handling that complicate our overall treatment of documents.

For any document we must know whether the intended user is a United States citizen or not, whether he has been briefed to handle certain types of information such as Critical Nuclear Weapons Design Information, etc., etc. And of course, reproduction people have their own security instructions to follow when reproducing microfiche into hardcopy or whatever else is required.

If all of this sounds confused or confusing, it is.

I had interjected a remark about proper marking of classified documents, something to the effect that if it is Tuesday, none of the above apply. One simply advances to Go and collects (or pays) \$200. Rather than becoming facetious, I would simply like to summarize the main problems that seem to be

haunting technical libraries as concerns information security requirements.

Information still does not flow freely no matter what top government officials may advocate. Those charged with actually determining who has a legitimate right to information seem to be constricted by too many rules or a natural desire to hang onto their heads.

When allowed to flow, information flows like sludge at the north pole. Excellent information received too late is no good at all.

Retention of classified information should be made easier. One way is to allow companies originating documents to keep their own documents in an archive such as the technical library. Requests by an individual engineer would still have to be supported by establishment of a need-to-know.

Marking and downgrading of documents should be administratively easier. Downgrading itself should be at a faster rate than it is, in what I personally believe was meant to be the spirit of Executive Order 11652.

The whole business of classified documents and information security requirements applying to them has caused librarians and other custodians of classified material to be worn down. It is far easier to simply destroy documents we almost know will be needed again than to attempt to comply with the restrictive and confusing regulations presently in force. Help us librarians to help the best interests of the United States Government. Really help the legitimate flow of vital information. Simplify and ease up on information security requirements.



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Presentation by  
Mr. Sweeney

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I'd like to say that even though our library is located here in San Diego we do use Carol's services in Los Angeles and we think very highly of them and we are sure that everyone else is getting the fine results that we are. Briefly, I'd just like to mention that in our Research Library at CONVAIR we are in the process of trying to analyze how we can go on-line with our library collection. We do have some advantages inasmuch as since 1969 all of our technical reports are on magnetic tape and they're catalogued, and then we have computer output microfilm for hard copies. However, what we want to do is to take our entire report collection from '69 to the present, and on from there, and put it on one disc, and then, with four remote terminals in the library, we'd be able to do our reference searches of our own in internal documentation which amounts to about fifty thousand documents at this time. We would do all of our cataloguing directly into the data base, utilizing the terminal, and the circulation control would be handled in this way. Our acquisitions and the library users would use the terminal rather than conventional cataloging or document cataloging, and so the obvious thing that this would be ideal for is security, downgrading, declassification of documents. The nice part of this we envision at this time would be that we would be able to take, for instance, the downgrading lists for declassification that are on tape or that we receive from NASA through the terminal to determine, first of all, if we have the documents and then to take the appropriate action in accordance with them. We can also set up a chronological file knowing that on the first of August, or at some appropriate date, that the following documents at that time would become eligible for downgrading or declassification. So this is what I had previously mentioned. It appears to be sort of a small light at the end of a tunnel, as far as we're concerned, that would help us. Of course, there's still the manual portion of this that you do--go to

the document and change them and so forth. But, again, it would be quite appropriate when we're using microfiche. We have over a million microfiche in the library, and, I think, we have seventy or eighty thousand hard copy reports. Not all of these are classified, but it would give us the data to get into them. So, I think there is a lot that can be done there.

At this point in time, I'd like to open the meeting up so that anyone who has some questions may address them to either Carol or Bill or myself, and we have a little bit of time. Any questions?

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Questions and Answers Following  
Mr. Sweeney's Comments

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Victor Seyen, DCASR, Dallas DSA:  
I conducted security inspections at a number of technical libraries all over our region, and I agree with Mr. Campbell that insisting on getting rid of classified documents is counter productive for two reasons.

No. 1, there is evidence that massive reduction in classified holdings could bring about a retardation in the state-of-the-art and the technology and especially the inability for a quick response capability for the DOD RFQs and RFPs.

No. 2, if he gets rid of his hard copies and he needs a copy later on, he can always go to DDC and get a copy of his field of interest register. However, he has to pay for it. My experience has been that we should be liberal in inspecting technical libraries and allow the librarian to retain at least one copy of every company-generated document in a classified area.

Bob Behr, Foreign Disclosure Policy Officer, Headquarters, ASD Wright Patterson AF Base, Ohio: Are you prepared to answer the question of proprietary rights within a given document, classified or unclassified?

Mr. Sweeney: This would not necessarily be unclassified.

Mr. Behr: I'm constantly faced with a decision--for the military departments or for our own, as to whether or not the document contains proprietary rights. The rule we have now is inadequate. Is it not true that if there are proprietary rights, it has to be clearly stated in the cover of the document?

Mr. Sweeney: I know from experience on our own documentation generated within CONVAIR, if it's our own internal research and development, even though it could be government funded, there is a proprietary statement put on it. As far as I know, this proprietary notice is established by companies and this information is transmitted to DDC.

Mr. Campbell: I believe that DDC is actively involved in trying to evaluate the general limited document situation by asking the various companies and agencies who have imposed the limitations on the document to reassess them after three years to see whether the limitation should, in fact, stay, and so I think we are making progress on that.

David Williford, DSA Documentation Center: One of the four reasons for limiting documents in DOD Directive 5300.20 is the statement of contract data documents in the DDC collection which may have been marked proprietary data.

Mr. Behr: May I say that caused a problem.

Mr. Williford: We don't handle company proprietaries. If we receive a document from General Dynamics Corporation, then that's their own product documents. We would treat it with the limitations they give us. In other words, if they said it goes to United States Government only, and they controlled other distribution, they would do that.

Mr. Behr: It would be so marked?

Mr. Williford: It would be so marked.

Fred Koether, DARPA: I'd like to make a flat statement. A company will never put true, bonafide proprietary information in a document that they're going to send to DDC.

Bob Donovan, Optical Coating Lab., Inc.: This morning we heard Mr. Van Cook discuss some of the problems that had generated with the CONFIDENTIAL classification of the index. From your experience as technical librarians, do you consider this to be a problem or is it, in fact, not something that really is deserving of that kind of attention in terms of trying to get it unclassified?

Mr. Sweeney: Having the classification CONFIDENTIAL is a disadvantage, of course, because we have to keep them locked up and people use these quite often, so it means that we either have to be opening up areas to make them available, or we have to let people have access to a vault. That's another problem. Also, when it comes time to bind them, that means the binders have to have security clearances and then they have to be transported and double-wrapped, so, yes, I would say that it is an inconvenience to have the indexes classified.

Mr. Campbell: Binding of classified tabs is about three times as expensive as binding unclassified documents. If the indexes aren't bound, they are harder to keep track of and when they are declassified you have to mark them very carefully and, of course, there are from time to time actually classified items in the tabs. When you declassify, you have to cut all of that classified information out of there, so it's a problem. It's not insurmountable, but it's a problem.

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### LUNCHEON

#### "The Year the CIA Went Public - The Impact of FOIA and Privacy Acts on an Intelligence Agency"

Mr. Gene F. Wilson

Information and Privacy Coordinator,  
Central Intelligence Agency

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When I was looking at some of Mr. Wells' statistics, and how well we are doing in terms of classification progress, and then I heard another gentleman say we're arguing about the same problems that we had years ago, I thought, good news and bad news.

Before I left Washington, one of my informants called me and said, "Gene, I've got some good news and some bad news. One of the speakers that was going to be out there is--well, the good news side. One of the speakers is going to talk about how to keep secrets and how to get along with Congress, and you ought to go out there and listen intently." What's the bad news? He said, "The speaker is going to be Elizabeth Ray."

This morning when I walked out of the hotel, I noticed to my great surprise there was a little galley ship in the bay and I thought we're jumping back in time. Those gentlemen were out there with their oars, and they were pulling as hard as they could, and there was a guy in the back of the boat that kept saying, "I got good news and I have bad news," and he said, "The good news is double-ration and double-grog today," and one of the poor guys at the end, just pulling away at the oar, said, "What's the bad news?" He said, "The captain is going water skiing this afternoon." Not to overdo it, let me just try one more. George remarked last night that he had good news and bad news. He said, "The good news is that you're a luncheon speaker and they'll all be there," and I said, "What's the bad news?" And he said, "I think they're going to serve tomatoes in the salad again."

To understand an intelligence agency and to understand the problems that CIA has had in coping with the past year and a half, let me provide a little bit of history, because I think it needs to be put in perspective. A few years ago we could be described in pleasant terms as being withdrawn, parochial. You wouldn't find someone on a speaker stand like this, and if we got a telephone call from one of the local newspapers we would say, "No comment."

In 1973, Dr. Schlesinger came as Director of CIA, saw a few things that bothered him, and immediately went throughout the Agency with a request for incidents of the past that were somewhat improper, so he asked all the employees of the Agency to list these and a review was done by our I. G. Inspection Staff. Then on the 22nd of December, 1974, Seymour Hersh wrote an article in the New York Times which was sort of a beginning of a very intensive review of the CIA. Following that article the Rockefeller Commission came in and started going into all these--what we call family jewels--the problems that have taken place within the Agency over the past few years. Right behind the Rockefeller Commission was the Senate and out came the jewels again, and the House, and more jewels were out. With this as a background and not being able to hide behind our cloak any more, the Freedom of Information and Privacy Act came into effect.

We also were in the Post-Watergate period, and the laws that were passed, particularly the Freedom of Information Act, said you now have to start looking for and reviewing Agency documents. You must determine whether you can make them public or not. When FOIA started, we were receiving five or six letters a day. By July of last year, the mailman was bringing one hundred requests from the public a day. About that time, I was asked to move into the position as the FOIA and Privacy Coordinator, and the gentleman who talked to me about the job said that it's fun, you know, you can become the Agency pen pal. The



backlog of cases is twenty-four hundred, the people are working until 10:00 o'clock at night, and the law says you will respond within ten working days.

We peaked last year. It's been a little easier since then. For the past six months, we've been receiving requests from throughout the country and they range from about eighty to a hundred a week, and we are able to answer about eighty to a hundred a week. We still have a backlog of about a thousand cases. Many of the people who write to us are still very concerned because we can't respond within ten days. I admire the Department of Defense because it is my understanding that for the most part they are capable of responding within the working days.

Our problem is that many of our documents are classified, and you must review that document thoroughly, and in some cases if you start taking out some of the information, you end up with what looks like a little piece of lacework that goes to the public. Believe me, it is mass production. I probably send out to the public fifty to seventy letters a day in response to requests. Much of this is negotiation.

What kind of a toll is it taking in terms of manpower? Well, last year--you know, we're kind of a small agency compared to many of the defense agencies--we probably spent a million and a half dollars in salaries in declassifying documents. Elaine Little from our Agency is also here and she is one individual primarily responsible for the classification procedure. On the other side of the house, declassification, we have about two hundred and fifty people working full or part time on declassification. If you want to put it in even better figures it comes out to about a hundred people full time doing nothing but declassifying documents available to the public.

Freedom of Information can be requests for documents that were created yesterday or they can be documents that were created back in the Second World War. So it covers

the complete gambit. Some of the requests are very good. Some are doing things that I think need to be done. David Belin, for example, who was on the Rockefeller Commission, and also on the Warren Commission, was concerned, for example, that Kennedy assassination documents should be released to the public. We put a task force on last year, and at one point I think we had five hundred documents that we had declassified and released to the public, and we still have a task force working to provide even more for the public.

Let me try to give you a little flavor of what it's like being a CIA pen pal. I brought a few letters along, and, under the Privacy Act, I won't give you any names. Most of the people who write to us are, you know, average citizens. "What do you have on me?" Statistically there are about sixteen percent hits in our records on people who write in. It takes an awful lot of work even to find out if we have nothing on somebody. One of the problems is that in an intelligence agency like the CIA, compartmentation is necessary. You sometimes want to keep your right hand from knowing what your left hand is doing. It means separate record systems, separate types of computer indexes, and so forth. So when someone writes in, you start in one direction and you find what you can and you take the leads from that and then you go into another direction. Our approach has been, if we're going to conduct a search, we're going to do it as thoroughly as we can. We can't meet the ten-day deadline, but if it takes us two months, and someone has asked us to conduct a search, we will, and we'll do it thoroughly.

When an individual writes in, to make sure we have the right person, we say, "Give us your date and place of birth, so we can make sure you're the right John Jones." And then just to help us out in looking through our own systems, I usually add a little note at the end and say, "If you can give me any idea as to what you think we might have on you, it would help."

Some people are hesitant to provide any information and I have to call them in a telephone booth, or when I ask, "Give me your telephone number --." "No. I'll call you tomorrow." Others provide their life history or they're very explicit and describe themselves. One fellow wrote back and in one sentence I think he thoroughly described himself, "At the present time I'm doing seventeen years to life for shooting two men and killing one other. I don't set out to commit these crimes, they're actually different situations I've handled rather badly."

Then there's the individual who writes to you who maybe is not sure of how strong the impact will be, so he sends copies to others. There's the guy who writes to Montgomery Ward and sends a carbon copy to Sears and Roebuck. Well, this one came in the other day, and I could not figure it out. If he's trying to make a point on who he's sending these carbon copies to, I lose him. Let me just tell you who he sent copies to: Zsa Zsa Gabor, The American Civil Liberties--that I can understand--The Dean of Yale Law School, Ralph Nader got a copy, Jimmy the Greek got a copy. Then he concluded by sending a copy to Chrysler Corporation and the Boy Scouts of America.

Here's another one. This is very typical. The individual goes on for a number of pages and it's hard finding what their problem is, and all of a sudden one line jumps out, "I had overheard one of my technicians saying that someone was putting something into my coffee. Can you tell me what it is?"

There are some that are very difficult to answer. Here's one from a newspaper. We had a number of individuals who worked for an Agency who lost their lives in the line of duty. The newspaper came in and said, "We'd like to know who these people are; we'd like to know the circumstances." Things like that you just can't provide. You have to protect.

Let me continue with the flavor of the requests. We receive a lot of requests from lawyers. I think many of them are

really testing the system--labor leaders, movie stars. We are kind of slow sometimes but when we get letters in from some of these gentlemen movie stars, somehow girls just move things through in a hurry--draft dodgers, quite common, anti-war activists of the '60's, rightfully so - "What do you have on me?" The Agency was involved in Operation Chaos and did collect some information on Americans. Had I been involved in that I would have written to CIA, too. At Christmas last year we thought, you know, maybe we ought to send out Christmas cards, at least to all the prisons who write to us. I guess, if you have twenty years to do, you might as well write to the CIA and FBI and find out what they have on you.

Newsmen--they are continual. It's a search operation for them and it's a story. As I mentioned to someone this morning, we prepared some FOIA material for the two papers in Washington, and I called up the reporter and said, "I'd have it in the mail," and he said, "Let me come and pick it up." I gave it to him, I think, at 4:30 or 5:00 o'clock, Friday afternoon. It managed to hit the front page on Sunday edition and the other paper was calling me at my home Sunday, "When do I get mine?"

You're never quite sure what you're going to find. A man from NORMAL wrote in--National Organization for the Reform of Marijuana--a reasonably straight organization, as I understand. "What have you done with marijuana testing?" And sure enough we had. We had actually conducted some tests which were made available to them, because it was not classified.

Fugitives--got one in the other day from a gentleman. We found out after checking with the FBI that he's a fugitive from the Justice--up in Canada. We didn't really know what to do with that one, so we wrote him a letter and said, "Yes, we do have some information, why don't you come on in and get it."

We received a request saying, "Please give us all the techniques, how to circumvent the polygraph machine?"

It's not easy to adjust to this. Having grown up within the CIA, where you learn security from the first day you arrive. You are told, you know, you got to lock everything up at night, you got to be careful what you say on the telephone, you separate some of your files, and you go through this for twenty years--twenty-five years, and all of a sudden a law is passed that says, "Turn all of this around. Now start looking at documents and determine what can you release to the public."

So the biggest problem I have found is for us to get our own people to adjust to this. It is the law of the land. We want to abide by the law of the land, and, therefore, we have to really review the documents and we have to make a conscientious search to find the documents. In one of our meetings in which we were discussing how we were going to implement this, I remember one fellow said, "I just don't have the time to fool with that stuff, you know, I got my other responsibilities. I just don't have the time." The reply by one in the group was, "Well, look at it this way, take time now or do time later."

We are not only trying to respond to the FOIA and the Privacy Act, but Mr. Thompson from the Archives, I think, is bound and determined to try to have all the documents from all the Presidential Libraries that are ten years and older declassified, and I expect him soon to hire a truck to go back and forth between our offices.

In preparing responses to a requester, if you have documents you cannot release because they are classified, or because they are withheld under an exemption, you describe the document and you give them a legal basis for which you are withholding it or withholding a portion of it. So far, in the hundreds of requests that we have answered, these statistics have fallen fairly even, about one out of every four we deny. The requester

comes back on appeal which means a whole new set of reviews to determine, did we really give that individual as much as we should; could we have given that individual more; and after the appeal, one out of ten will take us to court. I find myself with maybe two court orders a week and signing several affidavits every week. It's a very serious business.

I do think the exemptions in the FOIA and Privacy Act are reasonable. They're very difficult for an intelligence agency. I, from time to time, feel they were designed more for the Department of Agriculture than they were for an intelligence agency, but I think we can live with them. The two acts that were written, were poorly written. They are supposed to be companion acts but they do not always fit together well. They are very awkward to implement and each government agency, in some cases, is responding in a different manner. Some are fast, some are slow, some have put more resources into responding to the acts than others, some are still very conservative as to what they give out. If you take one document and if you sit five people down to a desk to review that document word for word, those five people would probably approach that document each a little bit differently. My problem is trying to keep an agency coordinated in their response.

Every time I start feeling a little depressed with more letters than you can answer, I hop in the car and I drive into Washington to the FBI. I was over there last week because I was a little depressed, and they said they had a backlog of over six thousand requests. They were receiving about five times as many requests as we do and they also have considerable more hits on people for my file requests. They have twenty-five agents with legal background and about two hundred people in one unit reviewing documents and declassifying documents for the public. So believe me it's a large operation responding to FOIA and Privacy.

FOIA cases do end up in court. We have about forty-eight cases in court. Justice



right now--Justice does defend government agencies in court--and it has a backlog of about six hundred cases. Keeping in mind what's going to be determined under FOIA and Privacy, may be as a result of what happens in court. So we really won't know the true impact, particularly of the Freedom of Information Act, until maybe a year or so from now when some precedents have been set.

One of the other difficulties that our Agency finds is that our records managers were basically string savers. We felt that, if you collected every bit of information that you can, some day you are going to put it all together in a mosaic, and it's going to tell you what you want. What you end up with in many cases is that you collected a lot of junk. Anyway, along came modernization and you collected all this information and then you learned how to computerize it, and you learned how to index it, and then you get carried away with your index. Somebody applies for a job in the Agency and they list fifteen references. Somebody cross-references all those fifteen references, and so when people write in, it's a nightmare with all sorts of documents that come to the surface.

The other problem, to give you a hypothetical case, Agent "A" meets Agent "B" in a foreign country. While they are talking, along comes "C". Agent "A" introduces "C" to Agent "B". This is all in an operational report. Poor "C" was passing through the country at the time. "C" writes into us and says, "What do you have on me," and his name comes out of the computer. So we have one document and he's mentioned in the operational report. Since he knows one of those individuals, we wouldn't dare--couldn't begin to pass that document on to him, so we deny that document. Now you consider yourself as if you were "C" and say, "Well, CIA does have something on me. They're not going to give it to me." So what do you do, you spend thirteen cents and you appeal. The Agency goes through it again. We make a determination we still can't give you the document, and if you are so inclined, you may just press right on through court.

So these are presenting various problems for us. I think we can cope, and I think there has to be a balance as Mr. Gerald Warren was talking about yesterday, and there has to be a balance between what you can give out to the public and what you must protect. I think the acts, although awkward and cumbersome, particularly to us, are worthwhile and do contribute to an open government.

Someone asked me, "How would you describe the situation of trying to react to all of this." And I said, "It's like a story I heard of Winston Churchill. Sir Winston liked to have late dinner parties, and there was often a large consumption of brandy. Well, one night after a fair amount of brandy as he was leaving, a woman walked up to him and said, "Sir Winston, you're drunk," and he looked at her and he said, "Yes, and you're ugly. But, tomorrow, I'll be sober."

The problems that the Agency has had and the process that we're going through in trying to accommodate openness to the public are a little bit like Sir Winston. We'll get through somehow.

Thank you very much, and I'll be very glad to answer any questions you may have.

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Questions and Answers following  
Mr. Wilson's speech

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Leo R. Lunine, Jet Propulsion Lab: Do you care to comment on the impact that the Freedom of Information Act is going to have on future documents being created in your Agency?

Mr. Wilson: We can find ourselves in a few years with the cart before the horse, I'm afraid. In fact, one of the reactions I got from this group is that it's conceivable that if this organization expanded into not simply classification, but into declassification, the society would enlarge by tenfold in a year. Declassification is going to have an impact. People are now reviewing documents with the

idea that you must consider a document as to what's going to happen if an FOIA request comes in tomorrow for that document. But, I think this is going to help reduce the number of documents that are being classified. We have a stamp ourselves that we used quite frequently, called "Internal Use Only," and we found under the Freedom of Information Act that it didn't hold water, and those documents still go outside the Agency.

Erwin Sweeney, CONVAIR: If you have to give out the information when you're requested in some cases, why don't you supply everybody with the information that you have on them if it's not classified? Why don't you just send it out with the income tax returns?

Mr. Wilson: I think you're rebelling. This has been suggested. In many of the files, and let's take for example, letter interception, which we no longer are doing. Much of this material is probably better off in some fireplace, and as soon as Congress lifts their moratorium, we'd be better off to destroy this material. The same way with the Operation Chaos material; the material that was collected regarding the dissidents--Vietnam dissidents in the late '60's. Why send this back out again. Unless the individual specifically asks for it, my feeling is you're better off to burn it.

Eugene Klein, SAMSO/USAF: What are your guidelines for classification? What determines what you can release and what you cannot release?

Mr. Wilson: It's a negative approach. There are certainly areas that you can exempt from disclosure that are written into the law; documents that are properly classified. And when I say properly classified, that doesn't mean because somebody stamped it five years ago with a "Secret" stamp. That means you have to review it in light of what's going on today in terms of whether you can release it. We would like very much to have a separate classification called "Sources and Methods," because most of the material that we have to deny is intelligence sources and methods. We don't have a separate classification, but we have a law dating back to 1949,

that says the Director of Central Intelligence must protect intelligence sources and methods. So we're sort of caught between statutes. One says, give out information, the other one says, withhold information.

In most cases, if it's intelligence sources and methods, we will deny. If it's information regarding the privacy of another individual, we would not give that out, and there are a number of others. I don't want to get into the technical aspects, but I'd be glad to talk to you later about the specifics.

James J. Bagley, R. B. Associates: Do you have yet, or are you working on, a definition of intelligence sources and methods?

Mr. Wilson: Yes, we have gone through a large series of documents trying to test the definitions to find out how well they work.

Bob Wells, ICRC: Two questions. One, do you find your review process a moot process, or what percentage of traditional information is provided during the reviews' appeal--the first appeal. And second, can you tell us anything on intelligence declassification guidelines, the progress on that?

Mr. Wilson: The review process is a thorough one and it is a separate one. And I would say that in most cases, in a review process, there is probably some additional information given out. May I have your second question?

Mr. Wells: On declassification guidelines by the intelligence community, is there any further progress on that?

Mr. Wilson: I'm not sure I would be fully aware of the progress at this stage of the game. So I really can't answer, from lack of knowledge. I'm really trying to avoid saying, "No comment."

J. S. Bowers, Westinghouse Electric Corporation: What could you tell us about costs, what some of this nonsensical work is costing us, the taxpayers? Secondly, if a special budget has not been designed for that,

how does it affect your actual work that you're supposed to do?

Mr. Wilson: Good point, because as you well know, budgets are projected years ahead. And I know when I came into this, my boss said, "Try to cope with this as best you can. I think you have three positions, see if you can dig up about twenty people." And you know, you sort of become a scrounger in a real hurry, believe me.

It is a drain on the resource. At the present time even if we can get some of the backlog down, our effort is still going to require the equivalent of a hundred people full time. To go beyond that and try to cope with a law that says you must respond within ten days, which I don't think we could do even if we had five hundred people working on it, we just can't go beyond that. To go beyond that, I'm afraid, would be taking us away from our primary mission--collecting and evaluating intelligence. So, therefore, we have diverted some of our resources and we're going to cope with it as best we can.

Bob Behr, Foreign Disclosure Policy Officer, ASD Wright Patterson, AF Base: Did you have any repercussions on the basis of the information you did let out; not the one you withheld, but the one you gave out? And, have there been adversities in any way, shape or form?

Mr. Wilson: There are some active damage suits going on against the CIA and the FBI which are a result of the release of information. But, one should not deny the release of FOIA information only because it will embarrass your agency.

Mr. Lunine: Just one point of clarification. Did you say that Congress had a moratorium on destroying the older files?

Mr. Wilson: Yes. We've been under a moratorium all last year and it looks as though the moratorium will probably be extended for about six more months. Also, some of these files are in litigation and we would not be permitted to destroy the records. Yet, we are

very anxious to get back to normal destruction, as any organization would be.

A typical example of the embarrassments it's even causing other agencies: Somebody writes in, "What do you have on me?" and the only document that we have in our files is a document that was sent to us by the Department of Army back in the Chaos days, and I have to refer the document to the Department of Army for their review and release even though the Department of Army already destroyed their records. So now they are as anxious for us to destroy our records as we are.

Charlie Mangos, GTE Sylvania, Inc.: you had to award federal judges access to classified information, in camera inspections?

Mr. Wilson: Yes, we have. In some cases, the actual documents are reviewed by the judge, in some cases, very explicit explanations as to what would happen in terms of national security, for example, if the documents become public.

Mr. Mangos: But they make the final judgment?

Mr. Wilson: Yes, and it's a scary thing, because, you know, as most of you are aware, security and intelligence can be a very specialized field and when you have a judge who doesn't have all the background, in say, the collection of intelligence and the protection of sources and methods, it could only take one judge to throw some precedence in another direction. That's the one thing that concerns us. But, it's the law of the land.

Liz Heinbuch, U.S. Army: May I ask one question? With the Freedom of Information Act and the law of the land now, do you foresee more problems in recruiting new agents? I wouldn't want to work for you if I knew you were going to tell everybody everything about me.

Mr. Wilson: That's a good point. That's a worry. We hope this will not happen, but let me just comment on that for a moment.



The Freedom of Information Act permits anybody to request, a foreign national, and what concerns me is that we could end up as a World Information Bureau. We have gone to Justice and asked, "Can you give us some help? Do we really have to respond to foreign nationals?" And the indication we have from Justice is that was

the intent of the law. So, technically speaking, if Fidel Castro wrote to me tomorrow and asked for his file, the law of the land would suggest that I would have to respond. I am not sure how much we would offer and I don't think he'd take us to court.

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## INTELLIGENCE AND EVOLVING CLASSIFICATION GUIDANCE

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Presentation by

Mr. Anthony V. Krochalis,  
Inspector General,  
Naval Intelligence Command

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Following Gene Wilson is a tough act. That was an excellent speech and I really enjoyed it myself, and I know what he's up to, because I've been in the same business for the last few years.

Admiral Inman was going to speak to you today and, as you all well know, a few months ago, he was selected for promotion. He's moved up to become a Vice-Admiral in the United States Navy and the DIA and is now a Vice-Chief-of-Staff for Plans and Policy under General Sam Wilson of the United States Army. The Secretary of Defense, Elsworth, heads a new DOD organization at this time and presently is staffing several other key flag and high-grade civilian billets. Additionally, a new General Inspector billet has been recently created to work with the White House Oversight Committee and probably with the Senate Oversight Committee as they move into high gear. My new superiors in the Office of Intelligence are Admiral Don Harvey of the United States Navy, Director of Intelligence, and Rear Admiral Sumner Shapiro, Deputy Director. Both are career intelligence officers, and are graduates of the Naval Academy and I am convinced they will support this group as Admiral Inman did.

Since Vice-Admiral Inman addressed this group last year I asked him for his views on this subject. Although he was busy, he was kind enough to give me a few thoughts for you before he left. Last year he asked the Naval Postgraduate School in Monterey to look at the problem of classified data getting into the newspapers, etc., and comparing it with information that existed in documents. They first developed a model and are now proceeding along those lines. We

hope that we'll have some concrete evidence of what they've accomplished in the near future. I think it should be very interesting.

The Admiral feels we haven't made much progress this past year, and although this sounds a little disheartening, I know exactly what he's talking about. The Admiral feels we're still feeling out the impact of the Freedom of Information Act and the Privacy Act. We are currently assessing the impact of Executive Order 11905, and it's too early to tell what we'll be up against in its implementation.

Reports of the Select Committee, the Senate and House Select Committees aren't anywhere near completed, so as a result we haven't accomplished much this year. However, I think you'll see a lot of changes coming along these lines during the coming year.

Admiral Inman believes progress is clear in this area as in the accelerated efforts to develop and revise classification guides and more toward realization of automation through the Rankin System. His hope is that by greater participation and selective declassification by the originator, it can be adhered to by providing clear guidelines and details of what has or hasn't been released. Another primary push has been made toward this progress, and, to use his own words, he said, "Certain rice bowls are at stake, and because of this, the progress is slow and often very painful." He concluded by telling me to tell you that unauthorized disclosures continue to be very damaging. As an example, our enemy opposition can acquire, for a minimum amount of money, useful details on our weapons systems while we spend millions of U.S. dollars trying to collect data on our potential adversaries. He said he would support workable legislation on the Freedom of Information and Privacy Acts which truly permit protection of intelligence sources and methods.

For you, as professionals in the classification area, the impact of the Freedom of Information and Privacy Acts has been clear. We have had to reevaluate our thinking on the use of the stamp.

Over-classification ultimately costs both time and money--two commodities which are in short supply in the Government service. However, don't get me wrong. I am the last person in the world who would be in favor of unlimited access to everything, which sometimes appears to be the trend in these post-Watergate days. There is a recognized need for a balancing of the importance and legitimate interests in maintaining national secrets against the need to maintain an openness in government.

The FOIA and Privacy Acts have had a considerable impact on our everyday work, more so than any of us have anticipated. It is like the defendant said when he saw the jury box filling up with midgets, "These little things are sent to try us."

Regardless of whether you agree that greater openness in the conduct of Government business is a good thing or not, it is a fact, a trend, and above all, as Mr. Wilson said, "It is the law and we plan to obey the law."

In implementing the law, the question then becomes, "How do we develop improved expertise in the classification of material?"

I do have a suggestion or two in that regard, but before I get to my suggestions, I would like to discuss Executive Order 11905, because it too has an impact on classified information. Executive Order 11905 is just beginning and it's snowballing, and it's going to be very difficult to comply with in many cases.

Like the FOIA and Privacy Acts, Executive Order 11905 was issued this past February, and it became effective on 18 May 1976, of this year. It deals with United States foreign intelligence activities and is primarily a product of the times. I'll stress that very clearly. It arises primarily from disclosure of domestic activities by intelligence gathering agencies.

The Executive Order has three primary purposes: First, to establish policies to

improve the quality of intelligence needed. Second, to clarify the authority and responsibilities in intelligence departments and agencies, and third, to establish effective oversight to assure compliance with the law in the management of intelligence agencies. Very complex.

You are aware that this order has limited certain intelligence collection actions. However, it has not changed the responsibilities of intelligence agencies or, in my opinion, limited their ability to function. This order also redefines the areas of operation of the various agencies; the Central Intelligence Agency, the Department of Defense, the National Security Agency, the Federal Bureau of Investigation, the Department of State, the Department of Treasury, and the Energy Research and Development Agency. Incidentally it also gave me a new job, Inspector General of the Naval Intelligence Command. This Order makes mandatory the creation of such a position in all agencies. This position has independent authority to discover and report activities that raise questions of legality or propriety and report questionable activities to the Intelligence Oversight Board at the White House on a quarterly basis. Mr. Murphy is the chairman of the White House Intelligence Oversight Board. Mr. Cherny and Mr. Ailes and a group of young lawyers are functioning as his staff at the present time on the White House Oversight Board.

Further, as a matter of significant importance to each of you is the specific responsibilities tasked by this order to what is termed the "Senior officials of the intelligence community." This task is to "Protect intelligence and intelligence sources and methods within a department or agency, consistent with policies and guidance of the Director of Central Intelligence." On Page 9 of EO 11905, reference to EO 11652 was made as follows: "Establish a vigorous program to downgrade and declassify foreign intelligence information as appropriate and consistent with Executive Order 11652." On page 14, it specifies that these senior officials are to "Conduct a continuing review of all classified material, originating within his



organization and promptly declassifying such material consistent with Executive Order No. 11652, as amended." So twice, they mentioned 11652 and this Executive Order, which gives push to the job we are trying to do at this Seminar.

It's going to be difficult to implement Executive Order 11905; the order is thirty-six pages long, single-spaced, and signed by President Ford. On 2 April 1976 a letter was sent from Robert Murphy, the chairman of the Oversight Board to Secretary of Defense Rumsfeld, telling him to implement the Executive Order at DOD level.

On 7 May 1976 Mr. Murphy sent a letter giving us deadlines for our first report to the White House. The deadline for the Naval Intelligence was July 15th and it will have to be submitted every quarter.

On 18 May, we asked Judge Advocate General Admiral Robinson to carefully review the Executive Order and his staff discovered that it did not cover the United States Naval Reserve Intelligence Program or intelligence activities of the United States Marine Corps. He made the determination that those activities of the U.S. Marine Corps and Naval Reserve have responsibility to the Naval Intelligence Command and the Inspector General.

On July 1st, the Secretary of Navy provided guidance on Executive Order 11905 to all the sections of the Navy. As a result, my job now is to take the various directives and to promulgate instructions to the Marine Corps, the Naval Reserve, and the rest of the Naval Intelligence Command for the next quarterly reports.

On July 6, 1976, Mr. Ellsworth directed that all of the reports that we produce will go via him to the White House. Our first report to the Oversight Board was fairly short. It was signed by myself, the Inspector General of the Naval Intelligence Command, Admiral Inman, the Director of Naval Intelligence, and Rear Admiral Robinson as Judge Advocate General of the Navy which makes me feel very happy because, with these gentlemen's signatures on the document with mine, I feel I have the necessary support.

We have to be very careful when doing things these days, and make sure that everyone understands the new laws that have been enacted, not only at the presidential level, but also for the Congress. We have to know what we're doing, and I think the fact that Admiral Inman is putting some of his top civilians and military personnel on the job shows he understands the importance of it.

The order continues to recognize the protection of intelligence sources and methods. I think this is very important. The requirements for the continual review is one that all of us here today have as a primary concern. It is this review requirement that I want to discuss in a little more detail, and it is this matter that I believe should be most remembered about what I have said today. We must develop a readable, workable and logical rationale for the classification of information. We have all heard and read much about the Congressional investigations into the intelligence community, and to a degree, I imagined that some of you shuddered at some of the suggested cures. As they say in the medical profession, "It appeared the cure was worse than the sickness." However, with time, cool, clear rational cures appear to be coming from Congress. Professionally, we are concerned about determining what information should be available to and what should be restricted from public review.

From a management perspective, classified materials with their security requirements are more costly to receive, handle and store than unclassified communications. The special handling and storage requirements of classified material result in added costs which can only be justified by proper classifications. Thus, when we wear our financial management hat, we are interested in reducing the volume of classified material.

In the Naval Intelligence Command, a small agency compared to most of the larger DOD agencies, there has been a cost effect in implementing these new laws and orders. For example, during 1975, Naval Intelligence Command expended over \$160,000 in funds for personnel and attendant expenses to implement the FOIA and Privacy Acts.

For 1976, we expect this cost to be approximately \$175,000, which doesn't seem like a lot of money but when taken out of your own resources, it hurts. Since 1976 we've had four hundred and three Privacy Act requests. From October '75 to July 1976, there were about six hundred and twenty requests under the Privacy Act. Many of them came in under the FOIA, but were answered under the Privacy Act. To date, we are caught up on all our requests on the FOIA and Privacy Acts. I think the reason for this is we have a very small agency and most of the requests are quite simple.

Earlier in my presentation I said that classification guidelines must be readable, workable, and logical. Not only is that message implied by the FOIA, the Privacy Act, and by Executive Order 11905, it is spelled out by the decisions now beginning to come from the courts. As an example, in the Marchetti case, the courts upheld the CIA's claim for exemption in every case where it could be shown that there was a pre-existing logical determination by the Agency that these specific items should be classified. In the companion Agee case, the court upheld the Agency where there was a pre-employment agreement to protect "sources and methods."

Decisions like that are very encouraging and I hope that as we go along with the FOIA and Privacy Acts that our judges are recognizing the facts that by and large most of us are trying to get our jobs done in the intelligence community and will support us. At least I'm optimistic about that.

Our experience in Naval Intelligence related to these new classification requirements indicate the need for the personnel involved in the original classification to be aware of the new guidelines. It is a very difficult task to be able to make the fine distinction between protecting the information required for national security and releasing that information to which the public has lawful access.

I think it's imperative that if we're going to have people working in Washington

on the FOIA, Privacy Act or Executive Order 11905, he should really have a good working knowledge of how the national and foreign intelligence structure work. I think it's quite important to get a feel of what you're going to declassify. I've declassified many reports in the past year where, if I didn't have the experience I had in twenty-five years, I'd probably be a little leery about sending this data out.

We believe that progress is clear in supporting these new laws and orders. There have been accelerated efforts to develop and issue new classification guidelines. While there still remains some sorting out of new matters, this organization has contributed in resolving many of these common problems, and for that I give Frank Larsen's organization 0090 all the credit.

Let me say in conclusion that in the management of a workable security program, it is important to make the program known and practiced by all levels of the organization. This objective can only be achieved through the concise classification guidelines that are readable, workable and logical. From this uniformity we will have the respect of the public and Congress, and it will be supported by the courts, if challenged. From a professional standpoint, the employees in our agencies will be more effective in their jobs.

So in concluding, I say, write the guidelines, ladies and gentlemen, be specific, and adhere to them. I think we can all see the necessity for them and also the benefits to our respective organizations.

Thank you very much.

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**CLASSIFICATION MANAGEMENT  
TRAINING AND SECURITY  
AWARENESS PANEL**

**Moderator:** Mr. Dean C. Richardson  
Manager, Industrial Security,  
Texas Instruments

**Panelists:** Ms. Marilyn Griffin  
Security Specialist,  
Naval Coastal Systems  
Laboratory

Mr. James H. Mathena  
Security Specialist,  
Martin-Marietta Company

Mr. James H. Hoyle  
Security Classification Manager,  
Lance Project Office,  
Redstone Arsenal, Alabama

Mr. James H. Carmichall  
Staff Security Specialist,  
DCASR, Los Angeles

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**Presentation by Mr. James H. Carmichall**

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When I visualized the purpose of my being on this panel, I was somewhat concerned about my role in terms of the remaining presentations. I thought I'd give you some idea of what security training is available to you as an industrial or a government representative.

It's been our experience in DCASR, Los Angeles, that nine-tenths of the serious deficiencies we find within a plant and the violations that we adjudicate are not intentional violations. They are violations of error, omission, misunderstanding. When material has been compromised or is suspected of being compromised, usually we find out that somebody did not understand how to handle it, how to mark it, or maybe somebody didn't understand the guidance that was provided to or written for them.

We take education and training as serious as we can, and about our only limitation

within this region is our budget. It's a one-man shop, as it is in every DCASR across the country. Industrial security is one of the unique DCASR functions in that it has its own industrial security education and training specialists. He's very specialized, and, hopefully, throughout the United States they're all doing a good job for you.

A problem that we had brought up at a recent Industrial Security Management Course which we hosted in Los Angeles, and specifically at the education and training workshop, was how to identify your training needs. It's quite simple. You can take our deficiencies, after we've inspected you; you can take the deficiencies you find in your own self-inspection; you can sample your managers, department heads, and find out where they think they need training; and you can also look at the program or the project guidance, the DD Form 254, and design your training program out of these needs. All of it, of course, has to be preceded by some basic orientation for each cleared employee. An employee needs some basic understanding of security, what it's about, so he can put subsequent training in context. He can't be cleared, sign a 482, and put out in the shop. He needs somebody to relate security to his job; relate it to his employment, if you will.

As you all know, we have a formal education center, the Defense Industrial Security Institute in Richmond, Virginia. At the registration table you'll find a brochure that describes each course the school gives. The training at the school is both for government and industry and the course you would probably want to look at the closest, being in the classification or information security business, is the Information Security Management Course. The first week is devoted to classification management. There are two other courses that industry is encouraged to take advantage of, and that's the Industrial Security Management Course, which is a week long. It's taught within the various regions or in Richmond, Virginia. All you have to do is send a letter to your Education and Training Specialist, at your DCASR Headquarters, and he'll assist you in enrolling.



Another program which we have cognizance of is the Industrial Facilities Protection Program for those of you that are interested in physical security, and one which deals with just physical security; the protection of assets, restoration, everything from lights, to guards, to perimeter fencing, and the whole kit--locks, everything.

Each DCASR, in addition to having an Education and Training Specialist, has a Classification Management Specialist. He's under-utilized as far as his interface with industry goes. He's the one that takes care of all those 254's that you forward to the DCASR and those the user agencies forward to the DCASR. He's there to help you. He's there to be the interface between the contractor and the procuring activity.

Earlier, a question was brought up about guidance vis-a-vis award and customer relations. "They're a little afraid to bring it up because they will lose their contract." If you find yourself in that position, use the Classification Management Specialist in that Region. He'll take your case up to procuring activity. If you have some questions on guidance, he'll go up for you. That's what he's there for.

How many of you have plants within the Los Angeles Region? Most of you? Have any of you ever used our Classification Management Specialist? One, two, three, four--okay. Well, that isn't bad. Most of the time nobody knows who he is. He has another job that he's having a hard time doing right now because of the automation of the 254 business on our end, which I'm sure you're all familiar with. You're all getting print-outs now prior to inspection. He also is charged to go across the aisle into our contracting elements in each DCASR, and to acquaint them with the Industrial Security Program, particularly the ACO. The Administrative Contracting Officer has a lot of signature authority in the Industrial Security Program. Many times he'll get something from you and he may not know what to do with it, as the administrator of your contract. We hope he goes across the aisle, and the Classification Management Specialist teaches him

what to do with the paperwork and the guidance that you send to him for approval, retention requests, and so on.

Something that's impressed me in California, and I hope it's across the nation, is that one of the biggest areas open for industry and the Government to get serious security training is on the college campus. Security is an accepted college discipline now. We have several reps that teach as resident instructors at various local colleges, and some of the courses are well done. It's certainly worth your while to check out the area that you're in and call the local colleges. You might be surprised at the type of course and the caliber of courses that are taught there. There are some very good ones in Southern California.

In conclusion, I think the biggest error I see--and I've committed it many times myself--when trying to conduct security training we tend to make our courses too broad. We tend to get too many different people in one audience. Education and training in the security business is no different than anywhere else. It's got to be relatively sophisticated. You can't give an orientation briefing to a group of engineers and expect to hold their attention more than ten minutes. So as long as you're thinking logically in figuring your presentations and designing them to meet your audience's needs, I think you'll find most people are receptive to security. I don't think they're receptive to the spy under the bed technique, but they sure are receptive when you say this means their jobs. Thank you.

Does anyone have any questions on what services are available to you in education and training; how we could help you go about it?

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#### Questions and Answers Following Mr. Carmichall's Speech:

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Dean C. Richardson, Texas Instrument, Inc.: I wonder if your organization is doing something that we've planned in the Dallas area, and that is to conduct many seminars during the year to help the new members in

the industrial community, whether it's in visitor control or contract security or classification management, learn industrial security management in these seminars?

Mr. Carmichall: Yes, we have seminars. Ours are not on a recurring schedule as perhaps Dallas may be at this point. Our seminars are usually put on the road when something changes. Right now, I will be meeting a team in Dallas and shortly I'll come back to Southern California with all those ADP requirements, straightened out for you, I hope.

But, every time something changes, we try to meet industry's training needs just like we meet our own people's needs. The way you find out about these seminars--because our region is so spread out--we will usually take a trip to a given district, like San Diego (one of our district offices), we will train our people for a given number of days and then we will spend one day with industry in some central location where we can bring as many people together as possible. The people that run the district offices of industrial security around the Los Angeles region will be asked to contact the contractors in their area that have this training need. So the District Chief will probably call you up and invite you to one of these seminars. Now, if it's a massive change, like a major manual change that affects everybody, then we will schedule a regular two- or three-day seminar. Now, I have to admit one thing: I'm no longer in Education and Training. We're recruiting for an Education and Training Specialist. I will carry through on the computer training, but I'm sure that the policy of seminars will not change.

Ed Hamel, GTE Sylvania, Inc.: I was just wondering what the value or rationale is to this computerized listing that you maintain of active contracts. Prior to inspection you get the print-out and there's anywhere from forty to fifty changes in it. It can be obsolete the minute you look at it and then it won't be updated again for six months. What good is it?

Mr. Carmichall: I'll take that in two steps, if you don't mind.

We have a major program in the Contracts Administration Services business to computerize any function that is redundant. The reviewing of 254's in terms of the date for reissuing is a massive chore. Our Region, for instance, receives anywhere from a stack that's a foot and a half high to three feet high a day of 254's. We can't run a manual system to tickle those dates to remind the user agencies that they're required to issue reviewed guidance so that's why it's computerized. We're having a lot of problems doing it since we're understaffed. Our region just blossomed all the way up to Alaska, which doubled our workload, and we didn't get any extra people. We are now trying to shortcut that procedure so that it becomes more real-time when you get your print-outs. The reason the changes are made manually now is that we can't get the information into the machine on a real-time basis and by the time the list gets to you, or your inspector brings it out, it's probably quite dated, unless he's a very fortunate guy and you didn't have a lot of changes in your contracts.

We're changing the system to an optical reader type input so we can cut out the manual step of transferring the data from the 254 to input cards that are, in turn, keypunched. We're going to go right to the optical reader which will go right into the machine, and hopefully, your list will improve.

Mr. Richardson: Thank you very much, Mr. Carmichall.

At this time I'd like to recognize the only Classification Management representative from the Government here. He's Victor Seyen from Dallas. Thank you, Victor, for coming. We appreciate your input.

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Presentation by  
Mr. James H. Hoyle

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As I look out on this crowd and consider this amassing of incomparable expertise on classification management, I get little butterflies in my stomach. I feel almost like Zsa Zsa Gabor's 8th husband. I know why I'm here; I know what I'm supposed to do; but I'm not sure I can make it interesting. I'll try. I would like to sit down. I'll be using the Vu-graph in just a few minutes.

First of all, I'd like to share some of the secrets I have discovered that proved effective for me in the last couple of years, in putting across this idea of training in security classification management at the LANCE Project office. First of all, who needs training?

I can answer that very simply. Everybody does. From the project manager, who is a full Colonel, and his civilian deputy, right on down to the lowest secretary. Of course, the tip-top managers--the project manager and his deputy--don't need the extensive detail of guidance and training that some of the mid-level people or the lower level people need. They should be familiar with the project office security classification guide, and normally we give a briefing or hold a discussion period with these particular gentlemen on an individual basis. Your middle line or your middle managers are about the hardest to reach. They are usually unavailable, and not interested; they turn you off, and they are one source of your big problem. The first line supervisors certainly need classification management guidance and training, but most of them don't even know that they need this training. That's one of the problems: to show them, get their attention, alert them to the fact that they do need training, and what type.

How do you reach the people? First, you need to be an opportunist. Seize each opportunity that comes up to discuss classification management training. Second, be

available for consultations that you might need from time to time. People will come to you asking questions. As they come, you answer the questions, then sell the classification management training. As a last resort, you can always go to your counterpart in higher echelon headquarters. After six months of beating my head against the wall, I finally went to ACSI (Assistant Chief of Staff for Intelligence) to get a little relief. I was reluctant to do this, but it was a last resort.

Most of you are familiar with the "GDS" stamp or the "Subject of General Declassification" stamp shown here on this slide. If you're not familiar with the "XGDS" Stamp, I'm sure that there are many people who could show you what it looks like.

Now, let's look at the stamp filled in. The case I'm using here is the LANCE Security Classification Guide Number. The MSR number has been assigned by DARCON or Materiel Command after approval by the Department of Army. We also show a declassification date.

Mr. Behr: What does "MSR" mean?

Mr. Hoyle: "MSR" is Material Status Record. It's a listing of these numbers. Now, you need no date or subject with the MSR number; if you have that number, you can go right back to AMC and probably DA, find that particular number and it will show the title of the document, what system the guide covers, when it was approved, etc.

We've used the term "ADS" at least once in this meeting. We at LANCE use the same stamp "GDS" and "ADS" to cover both. For "ADS" we cross out the 31 December and use an event or "Upon Delivery". This is applicable to delivery of much of the hardware going overseas to the foreign nations right now. It's good to use an event like this just in case you slip a schedule--you don't have to go back and revise. You say "Upon Delivery"; once delivery has happened or occurred, you then declassify.



We've had quite a bit of trouble within the Project Office distinguishing when to use a downgrading stamp and when not to use a downgrading stamp. For Restricted Data or Formerly Restricted Data material, you use what we call a "Warning Notice," depicted here, in lieu of the downgrading stamp I just showed you. There's one piece of information needed in addition to what you see here-- a Classified-By line.

Art Van Cook talked yesterday about maybe doing away with this Classified-By line. We'll have to wait and see. In the meantime, we have it.

I'm going to go pretty fast and furious on this technique we developed to get the people's attention, especially the supervisors; mainly those who didn't know they had a need for training. In setting up these meetings, after we finally get approval from our project manager for some training, we try to select a branch or a division or a homogeneous group; people who work together. You don't want to take the procurement analysts, and engineers, and cost people, and administrative people and put them in a meeting together and try to cover the subject intelligently so that each person there will get something from it. You tailor your briefing or your--I'll use the word, seminar. To me it connotes a discussion back and forth. We ask questions; we bring up real life situations; and at the end of our little presentation, we give the supervisor an examination and it really gets the point across.

Let's define a few points. An Administrative Custodian is normally a secretary, doesn't have to be, but normally is. Depicted here graphically are the steps that each of these people go through in order to properly downgrade or declassify documents. We see a file cabinet and a group of documents. We have the Administrative Custodian's desk, and a group of documents that she wants to sort out for her boss, who could be a branch

chief or a division chief. We call him the Primary Custodian. You notice here we've drawn an eyeball plus all these documents that the secretary will look at, sort correctly and place on her boss's desk, but at a pre-arranged time. You just don't put a bunch of classified documents on your boss's desk, especially when he's out to lunch. And we tell in our little pitch that the secretary, or the Administrative Custodian, has duties; the Primary Custodian has responsibilities.

This slide shakes up some of these people. They didn't even know they had a responsibility. They usually throw the paper over to the secretary and say, "Here, classify that." In the days of the Group markings, they used to stamp "CONFIDENTIAL Group 4" on just about everything that came through. With the advent of Executive Order 11652, things changed.

Now, I'm not trying to blow your mind on this chart. We will take the Primary Custodian's desk. There's his eyeball. Here's one stack of classified documents. The screen we show here is our LANCE Security Classification Guide, which I depict as a screen or sieve--something you can push something through. Up here, I've purposely drawn what looks like a garbage can, but I put a word on there "Obliterator," and an "Obliterator" is something different than an eradicator. If you eradicate something, you completely remove it so there's no trace of its having been there. To obliterate means to mark through and disfigure, so you can tell something was there, but you're not really sure what was there in the beginning.

The Primary Custodian, now, has been advised of his responsibilities. He, not the secretary, is going to be forced to compare a document with the proper classification. I depicted this by showing a document trying to be forced through the screen. Now, one arrow bounces back up and gets into the Obliterator. It won't pass through. That's

the old "Group One" marking. The documents themselves will pass through; the SRD documents can come out any one of seven different ways. Let's take quickly the document which retains a classification of "SECRET, RESTRICTED DATA." If it comes out that way, fine. Then you follow the arrows; you add the Warning Notice that we showed you a moment ago and the Classified-By line. The job is done. Suppose in the Nuclear Classification Guide CD-W-4, we find that--scratch that last remark.

We have borrowed information from certain Guides and placed it in the LANCE Guide. If the Guide now tells you that the information is SECRET RESTRICTED DATA, you so mark it and affix to it the Warning Notice and Classified-By line. It could come out CONFIDENTIAL RESTRICTED DATA or CONFIDENTIAL FORMERLY RESTRICTED DATA. In any case, you need a Warning Notice and Classified-By line. Take the example, though, that the material comes out either SECRET or CONFIDENTIAL. For some reason, we figure the powers have removed the RESTRICTED DATA, then you need a downgrading stamp, which can be "XGDS-3," plus, in the case of LANCE information, we have "31 December '87"; it could conceivably come out "GDS," Subject to the General Declassification Schedule, with a downgrading date of December '78; or if you're really lucky, it can come out unclassified plus nothing.

I want to dwell on this slide for just a second. Here we have SECRET NOFORN documents which have been classified as Group Two in the old system. We try to pass it through the guide here again, the Group marking will not pass through. It goes to the Obliterator. The material we have in LANCE came out "NO FOREIGN DISSEMINATION," either SECRET or CONFIDENTIAL, and in this case, we have the Category Two--XGDS Category Two--and ACSI has ruled that we shall protect that information until the year 2005.

We mentioned Group Three material yesterday in some of the meetings. If you pull it out of the files, and it's a Group Three document, it's properly marked for downgrading and declassification. In this case the document will pass through the screen. It could come out unclassified plus nothing. It could come out CONFIDENTIAL and need the Category Three marking on it, or you could go ahead and follow the Guide and affix a new downgrading stamp: "XGDS-3" or possibly "GDS." If you go this route, then you must take the old Group Three marking off and run it up to the Obliterator and drop it in the can.

This last slide is fairly simple. The document passes through the screen. The Group marking has to go through the Obliterator. The materials come out unclassified, or remain CONFIDENTIAL; you apply either "XGDS" or "GDS" stamp.

I know I've run through this very quickly. I tried to cut down the material to finish as soon as I could to allow for questions. Now, do you have questions that I might answer quickly?

Mr. Richardson: Thank you very much, Jim. I think you have all seen what his technique is and all of you should have been educated; you all now should know everything there is to know about downgrading and marking and passing your documents through a security guide. I think the technique's good. I think from what he demonstrates, it has to be a one-on-one, and he's got to be up here and he's got to have somebody out there looking at him as though he were the instructor.

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#### Questions and Answers Following Mr. Hoyle's Speech

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Bob Neal, TRW: Jim, in your dates you used '87 for your XGDS. You used 2005 on some. Why did you use those? It's not the fifteen and thirty years that you normally have?

Mr. Hoyle: I'm glad you asked that question. We abide by the fifteen-year rule, other than these few exceptions that we have. In the case of one slide I presented, the intelligence agency assigned 2005 for certain intelligence-type information to protect the sources or the information.

Mr. Richardson: If no one has anything to ask about the technique that Jim used, and I think you all ought to consider that technique--the Vu-graph and getting across to people--we'll continue.

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Presentation by  
Mr. James Mathena

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I am very pleased that I have been invited to the 1976 NCMS Seminar. It is even more satisfying because of the observance of our nation's 200th birthday and because of our Society's role in the national security posture of today.

In my presentation today, I would like to tell you about the problems I am facing as a Classification Management trainee. I will, at the conclusion, offer suggestions to others who are facing these problems and to the Society, recommendations that I feel are necessary for my future and the future of others who are new in the classification management program.

In my company we have a full-time CM Specialist, who is my immediate supervisor. My primary function is the supervision and coordination of the Document Control Program. I have additional part-time responsibilities in personnel security, security administration and education, and other phases of our security program.

Two years ago our Security Manager asked me to be a classification management understudy to our CM Specialist. I agreed to this proposal and looked forward to the challenge. I soon found out there was much more to this challenge than I had expected.

With the other security responsibilities I had, there really wasn't much time to devote to learning classification management. My supervisor frequently asked me to sit in on specific CM problems as a training exercise. These have been very helpful; however, I have not always been available to sit in on the problems when they arise.

At least once a year, our Security Manager will hold a personal development meeting with me. He reviews the goals I have achieved, the status of my educational development, and he also asks me, what are my problems? Each time we've had one of these meetings, I'll express to him that I am satisfied with my progress in classified material control and the other phases of security. However, I am having difficulty in my progress as a Classification Management understudy. I am not learning fast enough! With my other responsibilities I am not finding enough time to devote to learning classification management. I am not exposed daily to classification management activities, and this I believe is a deterrent to effective learning. I could find time in non-working hours to study about classification management, but, there is no textbook. This is one of my problems. How can I learn without being a full-time CM specialist?

Usually, the decision my security manager and I agree upon is, we will try to devote more time to classification management training. This usually never proves positive because security budgets are lean and the availability of time is scarce. Being able to find spare time for CM training is only one of the problems I face.

The availability of educational training is another problem. There are no colleges or universities that offer training in this field. In the history of the NCMS Seminars over the past 11 years, there has only been one panel devoted to the training of CM personnel. In the 1972 Seminar, a panel was presented entitled, "Workshop on Training of Classification Managers." Mr. Bagley was the moderator on this panel and he pointed out the need for young people in



classification management. He also stressed the need to develop a career ladder for the education and training of classification managers.

The biggest problem facing me, is, there is no formalized training ladder. I would like to point out to this seminar that, in a recent NCMS survey, there were 108 responses to this survey and only 9 of those were under the age of 35. In a few years there will be many who will be facing this problem. How will these new trainees learn?

Bob Green appeared on this panel and he pointed out that it is time for the Society to develop a formal position on CM job standards and career development patterns for classification management personnel. In 1975, a position paper on classification management job standards was prepared on behalf of our Society by Jim Bagley. I have read this paper and would like to commend Mr. Bagley for his effort. In my opinion this paper is excellent. This paper was written with applicability toward classification management jobs in Civil Service. I would like to see this paper expanded or rewritten to describe classification management jobs in industry. It could be a guide to the industry managers for determining the needs of classification management personnel.

I think everyone here realizes that available training is a major problem. What do we presently have for classification management training and education? The Department of Defense has a training course at the Defense Industrial Security Institute in Richmond, Virginia. This course is a one week school and has been attended by some of our members who critiqued the course as being primarily devoted to the training of government classification personnel and to the upper level managers from industry.

The NCMS Seminar can certainly be considered as educational training, however, the quality of the seminar is probably far too advanced for the beginning CM trainee. And, attendance is not always practical because of expenses.

There is no written document available for a trainee to study at home or when time is available. We have the Industrial Security Manual, but, how much of the ISM is devoted to classification management. Paragraph 10 has 3 pages of guidance. Appendix I has 5 pages on the DD 254. Paragraph 60 has 4 pages on classification guidance and paragraph 5 has 1 page on retention and disposition. The ISM has over 260 pages of instruction with only 13 pages devoted to classification management. So we have 13 pages of education instructions to cover what has been called the basis of the security program.

Let's move on now to another serious problem I face. And, that is the need for technical knowledge. I work in a facility that has in the neighborhood of 100 classified contracts. The range of technology covered in these contracts is very broad, to say the least. I don't think one has to be an engineer to be a good classification management specialist, however, technical knowledge is extremely helpful. I will probably always have this problem and will have to rely on engineers to help me with technical terms and explanations. With as many contracts as we have, I don't have the available time to familiarize myself with all of the spectrum of technology.

In our facility our CM Specialist is becoming more technically oriented to our products. Whenever a new proposal effort is started, our CM Specialist attends the proposal kick-off meeting. By doing this he can get a better understanding of the program and subsequently the technology involved in that program. This type of program involvement is usually directed at the larger proposal or contract efforts. Not only does he attend these meetings in the pre-proposal stage, he attends the program status meetings during the proposal effort and if we win the contract, he attends some of the post contract award meetings. On some contracts, these meetings occur on a weekly basis. I have attended some of the meetings in my supervisor's absence and have found them to be extremely helpful in understanding the product or the technology involved in the product.

Another problem I face is interpretations of the classification guides. But even the CM professional often has this problem. The late Jim Marsh pointed out in the 1972 seminar workshop that, "Skill in decision making and problem solving is learned only by exposure and experience over a long period of time." I believe Jim was right in what he said. If I have to wait a long period of time to achieve this skill, I will undoubtedly be very inefficient whenever I take over a full time classification management job. If, I had to resolve a problem of interpretation today, I couldn't rely on exposure or experience--I would have none. I would have to turn elsewhere.

Which brings me to the next problem. Where do I go for an answer or interpretation? When an engineer comes in with a problem on classification, he needs an answer soon. Writing letters through channels takes too long. I am fortunate that my supervisor has a little book of names and phone numbers of people he can contact for assistance. If he were not as astute as he is and didn't have these contacts, where could I turn for assistance in a timely manner? Where could a trainee who has no book of names or phone numbers turn for assistance?

Now, I would like to relate to you some of the ways I have tried to learn about classification management. I have been fortunate to have been a member of the Society since 1972. This has enabled me to receive the *Classification Management Journal* each year and to receive the bulletins as they are published. I have also requested through my company all of the seminar journals that have been printed from the Defense Documentation Center. I have relied very heavily on the *Journal* as a learning device.

In 1972 I was involved in the promotion of a three day classification seminar in Orlando. In 1973 I attended a Southern California Chapter Seminar in San Diego. In April 1976 I attended a classification seminar in Panama City. And, in all of these seminars, I took advantage of the opportunity to meet some of the speakers and requested

copies of their speeches. They have been very helpful and I continually refer to them for assistance in learning.

I stated at the outset, I would offer some suggestions to others on how to learn about classification management. It appears to me that a classification management trainee "must train himself." He must do this because of the lack of a formal training program. Let's review what I believe a trainee should do:

1. Attend the Defense Industrial Security Institute.
2. Study the *Industrial Security Manual*, particularly the sections pertaining to classification.
3. The trainee should become a member of the NCMS. This enables the trainee to receive the *Seminar Journals and Bulletins*. Read and study these journals, they are the best tool for training we have. Keep them for future reference.
4. The NCMS issues a membership roster with telephone numbers. Use this as a list of contacts for assistance on problems.
5. Review and study all classification guides, look for the philosophy on what information needs protection.
6. Attend your company's proposal and program status meetings; this will help you on learning the technology.
7. Attend as many Classification Management Seminars as you can. They are by far the most important learning opportunity we have.

I would like to offer some recommendations, but before I do, I would like to remind this society of one of our purposes. This goal is stated on the NCMS brochure, and I quote: "National Classification Management Society is dedicated to developing methods for training personnel in the application of classification principles and practices." This is an ideal goal. However, are we

achieving this goal? I think we, as a Society, should look closer at this goal and evaluate our achievements in this area of education and training. We, as a Society, need to devote more attention to this purpose. We need more than one panel or workshop every 11 years.

I think we, as a Society, should establish an education and training committee to develop various methods of achieving our training purpose. I think this committee should adopt a plan to write a basic manual for classification management. This manual could be a basic learning tool for classification management trainees. I'm sure there is enough expertise in this society to write a manual for classification management. This manual should have a separate section on "How to write a classification guide."

I realize this would be a monumental task, however I believe it could be done. In 1968, a guide was issued by OASD on "Writing and Applying Guidance." The guide could be updated to meet today's requirements and used as a part of a basic manual for classification management.

The CM job standard paper prepared by Mr. Bagley could be used in a section on qualifications of CM personnel. A manual for classification management could become a textbook for our profession. It could be a fulfilment of our Society's goals on education and training. More importantly, it could give me and other trainees a better chance of learning classification management.

In closing, I would like to leave you with this thought, and I submit this thought to you in the form of a challenge. I challenge this Society to define a classification management job and to define the manner in which the job should be accomplished.

Thank you.

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Presentation by  
Ms. Marilyn Griffin

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When asked to speak as a member of this panel, it was suggested that I cover, "Where I was three years ago to where I am today." In other words, as an R&D Laboratory of approximately 650 technical, scientific, and support personnel--where the security manager, who wears other hats, and I are the only classified material control/classification management staff--how do I, as the Security Classification Manager, face the problem of educating Laboratory personnel on classification management and other security requirements.

First, I had to gain personally a knowledge of classification management and classified material control requirements. We have to do this mostly through on-the-job training; much of it self training. I started as a Security Clerk/Stenographer and began learning through working with the then Laboratory security classification manager who retired four years later. I attended two industrial security courses at Fort Holabird which gave me an insight into the Industrial Security Program. I visited Navy offices in Washington, first, to meet the people with whom I had talked on the phone and, secondly, to discuss specific questions and specific classification guides relevant to our Laboratory work or program areas. I joined NCMS and began attending the annual seminars, gaining from the experience reported by others in the field of classification management. I attended several seminars and workshops held at Martin-Marietta in Orlando, Florida; thanks to meeting and knowing Jim Buckland and being an NCMS member. The informal discussions at these seminars with other classification managers have provided one of the best tools of learning to gain ideas and knowledge on a one-to-one basis. Many ideas picked up through these informal talks



have worked for me. I was also able to attend one of the first classes on Information Security Management held at DISI.

To take what I've learned and use it to train or educate others at the Laboratory, I had to look at my position and responsibility within the Laboratory organization and understand that I was providing both a service and control function in the chain of events involved with the accomplishment of an assigned task. In meeting the service function, I had to learn to respond quickly when a need for security classification arose, and to take as little time from the research engineer as possible to obtain the information needed to make a classification decision or develop a classification guide. At the same time I had to enforce the control function by ensuring we followed the rules established for the security requirements. In whichever role I'm in, service or control, I have to remember I am supporting a technical requirement of our organization and to this end it is a team effort. Without a technical background, you learn to ask the right questions to get the explanation needed to accomplish your part in the requirement action. Secondly, I had to learn to be flexible, because policies, procedures and security guidance are all continually changing.

How have I taken all this and applied it to our Laboratory personnel's training program? I look for the right time to train the personnel. The scientific and technical personnel look at classification management in the beginning as a time delay factor, a necessary evil, a lot of extra Government red tape. Therefore, they are not receptive to learning anything about it until a need arises. When they get to the point of involvement in a classified project or task that they need to document some of their work, I get into the picture. They have learned through my contacts with them already, in providing the guides I find they need for their work and my pointing out tactfully when they've classified an outgoing letter or message incorrectly or applied a wrong downgrading/declassification marking,

that I'm there to help. So they come in and on a one-to-one basis we discuss a specific document such as a letter report, progress report, or final report--thus meeting the specific need-to-learn situation. Through this meeting, we together determine all the guides applicable, we review the paragraph classifications where I disagree with their decision; and I point out that they can no longer classify based on, "Well, I think it's classified; at least I feel that it is." I remind them that their decision must be based on the guide or guides which identify the items of information to be classified. However, we're still faced with a problem on the occasions when a guide is not specific enough; that is, one may say "range" or "speed" is CONFIDENTIAL. In these cases, the engineer, sometimes, feels that any time he mentions a range or a speed he should classify it; and I know we're not talking about every speed or range mentioned; usually only the maximum. However, until I get a clarification from the originator of the guide, we may have reached a point where the engineer won't accept my reasoning and then, for lack of more clear and specific guidance, some information is classified that probably shouldn't be.

Also when a DD Form 254 or other type classification guide is needed for contract, in-house, or other government activity use, the task leader and I get together and discuss the project, the system involved, the procurement objective, and what guidance we need to develop. I ask many questions and the engineer willingly and proudly explains his project, system or concept; the functions of the various subsystems and components as well as their interrelation; what kind of military targets are involved; and what type information is expected to be included in the documentation or what about hardware, if that's involved, that would need to be classified. From his explanations, I list the guides. We review them and pull from each the items of information to be involved in his system development and testing program. Through such an exchange, we each learn about the work of the other and they learn how to use the classification guides to develop the

classification specification for their specific need. A mutual respect is developed and the engineer then knows I'm willing to work with him and to help take the mystery out of classification management. Additionally, I learn from the engineer what technical personnel in other offices or shops are involved with his task so I can also send them the specific guides they need to follow. To me, although more time consuming in one respect, this one-to-one approach of training is the best because there is a specific need involved for the engineer, and he is actively participating in the classification management process, learning how to use the process effectively and receiving an immediate benefit or solution to one of his project requirements--this is a realistic situation and problem to him at this particular point so he is ready for the learning process. Once through this process, working with an engineer the second and succeeding times is much easier.

Other training methods are used at the Laboratory too. General orientation briefings include letting new employees know I have classification guides relating to the Laboratory areas of work which will assist them in making the classification decision and that I'm always happy to sit down to help them with any security problem they may have. Hopefully, I convey to them the important part they play in the role of protecting that information which requires protection by classification and proper procedures.

We also use information memoranda, posters, films and flyers. In June 1972 when we went into Executive Order 11652 requirements, everyone knew they had to learn how to apply the new markings set out in the Executive Order. We had group briefings and the personnel listened, asked questions, and learned. It didn't end there; based on individual needs they came back seeking assistance on applying the markings and asking for guides.

In addition to our local training effort, we try to bring in outside people from time to time to get across different ideas. For example, in the seminar we held in April

this year, we had speakers from Government and industry involved; I felt we had good representation from our technical departments and some of our support offices. This increased interest by our personnel tells me we are getting somewhere--there is a desire to learn, these people are learning and the process will continue.

Our most difficult problem is in the interpretation of terms in the classification guides, as I mentioned earlier. We don't always agree; however, with my knowledge on whom to call for clarification, we are getting answers. I'm then able to provide descriptive modifiers to better clarify that information which requires protection in the interests of our national security.

In addition to working with the engineers in the broad classification categories, I also work with the technical secretaries on a group and one-to-one basis concerning markings and other detail requirements. These are the ones who keep things straight and help the scientists when they make the decision that something is classified. Through this active involvement, both engineer and the secretary learn. This is necessary because, as I also mentioned earlier, our staff is small and we must rely on the ability of each derivative classifier, who prepares a document, to perform the classification process properly.

I enjoy my work, the technical personnel know this and we have a good thing going. We still have areas that need improvement when it comes to training and I still need to learn more. That's why I'm at this Seminar and that's why I'll be at every other one I can possibly attend. I've learned to question the guidance we receive from higher echelons of command when I feel it's not specific enough or it conflicts with other guidance; I've also learned to take advantage of those more qualified and knowledgeable by asking questions.

My methods and ideas won't work for everyone. We have to use the tools and techniques best fitted to our own situation; but the sharing of ideas and methods could bring to



light added means with which to train personnel. The most important thing to remember with adult training is that people must want to learn and will probably listen only when they have a need to learn. Our scientists and engineers have been trained to explore and analyze data so you have to provide explanations or ask questions upon which they can use this ability and in this way assist you in making the classification decisions.

To get me further down the road for tomorrow, I'd like to recommend a training approach for classification management personnel. That is to have a workshop for a portion of NCMS annual seminars and at smaller seminars. Have attendees provide questions or problems which they'd like to discuss in a workshop environment. Each workshop group would consist of representatives from government and industry. From such a group discussion, whether participating or listening, each can learn and the learning process will be based on a specific need or interest with active participation playing a role. Then each group would present their question or problem along with the solution or solutions that had been selected to the entire seminar group.

If not tried before, I plan to try this idea when NCSL holds another Security Seminar.

Thank you!

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Presentation by  
Mr. Dean Richardson

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Today, we have heard from the defense industry team members on how they conduct education and training for Classification Managers as well as engineers and scientists. The DCASR representative has provided us with copious amounts of training material and information; the LANCE representative has shown us how he gets people's attention. The Naval Coastal Command Laboratory representative has

pointed out the problems in laboratories, both Defense and Industry laboratories, in dealing with engineers and scientists. Martin Marietta has explained some of their problems, particularly the difficulty in finding educational material for training himself as a Classification Manager. Here Jim points up the very important on-the-job training aspect for Managers of classified information.

The making of a Classification Manager involves both the training of the individual in all aspects of security so that he knows what impact his activity will have on the overall procurement package overhead AND training in the technology of his agency or company. An additional task required of the Department of Defense Classification Manager is that he be trained in intelligence research. For the DoD CM, education is of prime importance. One of the problems facing this person is to obtain access to intelligence documents so he can review what the foreign nations know about our weapons systems and what technology fields they are pursuing for their own defense. Too many times techniques are classified as state-of-the-art when the other side has no intention of using the technique or else they already know about it so it doesn't make any difference whether it's classified or not. Probably the best place where this intelligence function is performed is the Headquarters level. Based on this research, Headquarters should issue continuing guidance to the subordinate activities on what concepts and types of information should be protected. One can't expect the procurement level Contract Security Specialist or Classification Manager to have the time or library facilities available for research.

The government Classification Manager must become as familiar as he can with the technical aspects of procurement. This can best be accomplished by interfacing with the agency scientists. This same aspect applies to industry--we in industry do it all the time--and you will probably find there is a communications gap between the two of you because you don't speak the same language. That's why it's important for the Defense CM Managers to become familiar with the language



used and what questions should be asked. After all, you must be able to determine what aspects determine the vulnerability of the system because that's why you really classify. The last determination this man can make--and this, again, is probably going to be accomplished on a team basis since the engineer or scientist usually has a pretty good idea of what kind of capability the competition has--is how long the information can reasonably expect to remain protected. For example, the speeds of an aircraft or frequencies of radar or ranges of various components or the CEP of a weapon can be reasonably expected to be protected until such time as they are used in an unprotected range or in combat or in simulated combat. Continued classification of such aspects past this point is wasteful and inefficient.

At the procurement level, of prime importance in the classification determination is command authority. The Defense Classification Manager must have the backing of his Command and must be THE decision making authority, particularly whenever conflicts occur in the classification assignments or when questions are raised challenging such classification. After all, this man is--or should be--responsible for the preparation of the DD-254, using the talents, knowledge of the technical personnel in the Command to assist him in making his determinations.

When industry receives the Security Specification, the industry Classification Manager has immediately, and foremost in his mind, two masters to serve: First, the customer to make sure the information he needs to have protected is properly protected and, secondly, his company to avoid overclassification of company-generated reports for the contract or hardware. If the CM doesn't keep this in mind when he is managing classified material in his plant, the overhead costs charged directly against the contract would be reflected in increased costs to the government, which is unacceptable. It is important, then, that the industry Classification Manager is immediately brought into the program at the RFQ

stage so he can determine at that time through conferences with his opposite number in government and through the exchange of DD-254s, what indeed is necessary to be classified and to what level.

The CM type in industry must be knowledgeable of the Industrial Security Manual and the impact its requirements have on his company. His greatest source of education is OJT as you have heard from Jim Mathena. He must be able to work closely with government representatives, whether they are from DCASR or the procurement activity. He must understand their problems and the forces that make their decisions. He must be able to use good judgement in interpreting the Industrial Security requirements as they apply to the protective measures employed at his company. He must be research oriented and, based upon research, he must be decisive and capable of making mature judgements without becoming overly authoritative. He must persuade with a velvet hammer. Using sound management techniques, he must correlate Industrial Security requirements with the contract technical requirements and establish cost-effective security classification instructions and disseminate these detailed, comprehensive instructions through the use of an Internal Security Guide of some type. He must specifically identify to all levels of production just what aspect of their activities requires classification and when. Above all, this man must have the backing of management and must have the final say in interpreting the DD-254 received from his customer. He must represent the company position in classification matters.

Now, what can you expect from a trained Classification Manager? I have a few foils of some typical Internal Security Classification Guides used at my company, and I think they're fairly typical of those used in industry. As a Classification Manager, you should be developing detailed, comprehensive Internal Security Guidance for your engineers, technicians, technical report writers, production line managers and all ancillary functionaries required in the performance of a contract or in preparation of a response to an RFQ.

A typical Internal Security Guide

A complicated Internal Security Guide

A one page Internal Security Guide

An IR&D Internal Security Guide

We now have a few minutes for questions. I'd like to have a lot of audience participation.

After these questions, we're going to make available for your education and

enjoyment some examples of training techniques and media you may find useful for your activity. Please feel free to leave whenever you want to, the session is officially supposed to be over at 4:30 p. m, but I have the Program Chairman's permission to continue on with this additional show.

Thank you very much.

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**PANEL**  
**DISCLOSURE AND RELEASE OF**  
**TECHNICAL INFORMATION**

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**Moderator:** Mr. Fred Koether  
Director, Technical Information,  
Defense Advanced  
Research Projects Agency

**Panelists:** Mr. A. A. Correia  
Rockwell International,  
Anaheim, California

Mr. Bob Behr  
Foreign Disclosure Policy  
Officer, Headquarters, ASD  
Wright Patterson AF Base, Ohio

Ms. M. Liz Heinbuch  
Assistant Security Manager,  
Office of Deputy Chief of Staff  
For Research, Development  
and Acquisition

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**Presentation by**  
**Ms. Elizabeth Heinbuch**

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It's a real pleasure for me to be here today--especially to participate as a member of the panel discussing the disclosure of technical information. Although I've been a member of the NCMS for several years, this is a first for me. So, if I'm a little awed at standing here before the expertise of this audience, please forgive me.

The restriction on release of information is an aspect of power. However, a key element in research and engineering is the dissemination and exchange of scientific and technical information.

**EXCHANGE** - permits a scientist or engineer to check his findings with his peers.

**DISSEMINATION** - may provide a "missing link" to the work of some other engineer or scientist.

But of major importance is maintaining our technological advantage which is essential to our national defense.

Lead time technology, which is related to the state-of-the-art, is most often given as the reason for restricting the dissemination of scientific and technical information. Certainly, there are other factors to be considered, such as: uniqueness, vulnerabilities and weaknesses, specifications, manufacturing technology, and what about PROTECTABILITY? Scientific and technical advances that can be linked to military threats and capabilities must be subject to some dissemination restrictions. It is assumed that potential enemies will eventually duplicate our scientific and technical achievements and that we can keep one step ahead--and maintain technological superiority by delay.

The dissemination of classified information orally, in writing, or by any other means, is limited to those persons whose official duties require knowledge or possession thereof. No one has a right to access to classified information solely by virtue of rank or position. These principles are equally appropriate if the prospective recipient is an organizational entity, other Federal agency, defense contractor, foreign government, and others.

Classified information may be made available to persons or agencies outside the Executive Branch provided that such classified information is necessary for their performance of a function which will produce or contribute to the actual or expected national defense advantage of the United States.

Disclosure of classified information at scientific and technical meetings must meet the same criteria.



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Although my presentation today is keyed toward the Department of the Army regulation regarding security measures, approval, and sponsorship for scientific and technical meetings involving disclosure of classified information, the Army regulation implements the DOD Directive 5200.12, which, of course, applies to all of the Department of Defense.

Department of Defense activities do not hold, approve, or sponsor any meeting which is not determined to be in the best interest of national security.

Department of Defense contractors desiring to conduct a meeting which will be attended by persons or representatives of organizations outside the DOD are required to obtain prior written approval from the DOD activity which has principal interest in the subject matter of the meeting. Such request for sponsorship must be accompanied by a list of all persons, other than United States citizens or immigrant aliens, for whom permission to attend is desired. Although the sponsoring activity accepts responsibility for adequate security measures, they may designate a cleared contractor to undertake overall security responsibility. The requirement to obtain prior written approval from the Department of Defense does not apply to meetings related to a specific contract or contracts if conducted by the contractor at his own facility and attended only by authorized persons employed by the contractor, or by visitors authorized under the provisions of the Industrial Security Regulation and Manual.

The location of these meetings is governed, in most cases, by the level of classification of information to be discussed or presented.

**TOP SECRET/SECRET:** Held only at Government installations or at cleared facilities of DOD contractors. To obtain an exception to this rule, written authorization from the DOD component is required. For the Department of the Army, it would be the Secretary of the Army, the Under Secretary,

or an Assistant Secretary and the request would be submitted through the Assistant Chief of Staff for Intelligence.

**CONFIDENTIAL:** These meetings may be held at other locations provided that an adequate Government installation or DOD contractor facility is not available, and the DOD sponsoring activity approves such location and insures that adequate security measures are taken.

Representatives of Communist countries will be excluded, without exception, from any classified discussions, presentations, and displays. Representatives of Communist countries will not be authorized to attend any session or other portions of a meeting conducted or sponsored by the Department of the Army, even though no classified information is to be presented, unless specifically and individually approved in writing by the Secretary of the Military Department or director of a defense agency.

Foreign nationals of countries outside the Communist countries may be approved for attendance at meetings in which classified information is to be disclosed provided the DOD component finds such attendance consistent with the National Disclosure Policy and specifically authorizes it in writing.

These provisions do not apply when the entire meeting is unclassified, nor does it require prior approval by the Secretary of the Military Department for invitations to representatives of Communist countries to attend unclassified meetings sponsored or conducted by DOD components. However, I believe there are requirements for obtaining State Department approval for such visits.

In closing, the intent--to maintain technological superiority--however sound in theory, is sometimes hampered by its implementation. The lack of clarity in classification guidance, over classification, and administrative difficulties in complying with classification policy are the major problems in our security classification system.

However, even the strongest critics of security classification in science and technology will admit that there can be military requirements for secrecy. The problem is to draw a sensible line between scientific and technical achievement, which requires openness, and military policy, in which secrecy is sometimes imperative.

Thank you.

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REFERENCES:

1. DOD 5200.12, 7 March 1967, "Security Measures, Approval and Sponsorship for Scientific and Technical Meetings Involving Disclosure of Classified Information."
2. AR 380-24, 2 May 1975, same subject.

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Presentation by  
Mr. A. A. Correia

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Good morning, ladies and gentlemen. For any of you that don't know it, I'm no longer completely one hundred percent in security, as I have been for years. I'm now in public relations. However, the function of public relations that I'm in, is called Information Control. In essence, that is exactly what it is. We're kind of watchdogs for people in the company who are preparing papers for seminars and symposiums and it covers any printed material, informational in nature, whether it's motion pictures, tapes, charts or displays.

In addition, we see that all contractual reports are in compliance with the contract data requirements listing. All reports are reviewed by my office so that we know we're reporting really what the government wants and we're not saying more than we're supposed to say.

My coordination is with graphics and motion pictures, as I mentioned, and also I'm responsible for reviewing any exhibits or displays that Rockwell puts on anywhere in the country. I coordinate all of these reports with the originating groups, whether it's in the Missile System Division portion of Rockwell, Anaheim, or whether it's the Strategic System which handles missiles and guidance systems. These originating groups all contact my office for a report number. The numbering system is covered for a "C" for contracts and it goes numerically by year and I can go back to 1964 and identify reports and the originators. We could also probably get a copy of the report if necessary. We do have requests from the military departments many times for a certain report. I go into the microfiche files with a reader that I have there in my office and we can usually come up with a copy of the report.

My job is to expedite these things, make sure that they go out on time. We have a computerized system on all CDRL reports. We have almost two hundred or more contracts that we are working on at the facility and our plant population is around twelve thousand. Last year we published over two thousand reports on contracts plus technical papers which were released at seminars, symposiums. We can track every one and get a copy if needed.

Another one of my functions is expediting these reports through Security when there's a security requirement for review. We also have to be sure we stay within the budget of what we're supposed to be doing which is also a part of my responsibility.

Patents have to be processed through patent counsel for review in order to make sure there are no invention disclosures or that we're not giving away some of our new technology such as the company's work in the bubble domain area. In fact, within the last three weeks, we've had five invention disclosures filed in the bubble domain area



because it's a new area of technology in electronics.

Some of the things that get you confused in industry is the change of signals. We've been using ESGM, which is electrostatic gyromonitors on a new type of system which is going to be used on the TRITON submarine system. It's been published clear back since 1972. There have been papers published on it in the navigation manuals, navigation journals, then all of a sudden we send a paper through and they come back from Sperry to us and say, "Hey, you can't say ESGM. You've got to say a marine inertial navigation piece of equipment." How come after four or six years you suddenly can't use the acronym ESGM any more? It's a difficult thing and it involves working the problem and certainly this is where the classification manager's people can accomplish the things that need to be done.

I'm not too sure how clear it is on this slide, but this is the place on this form for the title. The requester's name goes in this block. The key to this form is the Information Control Number which is placed right here. That's the number assigned by my office and it gives us the traceability. For example, we can tell if it's a contract report, a "tech" proposal, a published release, a briefing that may have been given to the customer or to the DOD user agency.

The blocks here are also keys because certain types of reports cannot be released unless it's signed off by a vice-president. This depends on who the customer is and what the information is. In most cases, the program manager has the authority to sign off on contractual reports.

One of the things we are getting more and more of are people going overseas to present technical papers. You've got to be sure that you have State Department approval prior to presenting technical papers overseas because of the foreign representatives, including representatives of the Communist Bloc countries who attend these meetings. Just in the last week or so, I have had seminar papers given to me for approval to go to

Sweden, Greece, Germany and to England. Those are all open countries, so to speak, but there are foreign representatives from Communist Bloc countries, therefore, we do have to get State Department approval if it covers anything that's on the Munitions List. We have to get approval from the State Department if they're unclassified and, if they're classified, we have to go through our customer for release approval.

Just about everything that goes out of the company goes through the office that I work in, which includes, briefings, proposals, reports, "tech" papers, sales literature, sales brochures, motion pictures that are put together at the request of customers. They all go through Information Control whose primary function is to protect the company image and again to make sure we're not committing ourselves to something that we shouldn't.

Rockwell now has a fingerprinting identification system--it's called Print Track and is an electronics system. The FBI has already purchased a complete system and it's being put into use by them now. They're putting all of their fingerprint cards into the computer system. The San Jose Police Department recently put thirty thousand fingerprint cards into one of our computer systems which they got under a grant. A week ago last Saturday night they had a robbery and one fingerprint they found belonged to a suspect. They put it through the computer system, and instead of three hundred and thirty-three hours of research to find that one print, they had a make on the guy through the computer system in eight hours and arrested him the next day; one fingerprint was adequate enough for his identification.

The reason I bring this up is that the initial proposal or the initial technical information on this system was almost released by one of our engineers. The Patent Office in the review was the one that identified it as an invention disclosure which should be filed. It finally evolved into a complete program which the future looks like it's going to be very, very good. The Royal Canadian Mounted Police have already bought a complete system.

That covers what I have as far as control of information within Rockwell and, again, I say this is the Electronics Operation function. I can't speak for "B1" or any of the other divisions because they have a little bit different function than we do. They're not involved in classified as much as we are in the Operations area, so they don't have the same kind of a function. It's similar to it, but very, very crude and not as tight or explicit as the system used at Autonetics.

Thank you.

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Presentation by  
Mr. Robert Behr

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First of all, I'd like to express my appreciation for having been invited because the subject matter I'm going to discuss with you is certainly outside the classification management subject. I am by no means a classification management specialist even though the two fields are related.

I think, today we're entering a phase where classification and foreign disclosure of information are of increasing importance. As far as my responsibility is concerned, I'm at the lowest level of the system and have dozens of higher level offices I can pass the buck to. (A slide was shown)

The buck by no means stops with me. This slide, of course, represents the Aeronautical System Division at Wright-Patterson Air Force Base, and I don't think there's anybody in the room who doesn't know that this Base is identified with the development of aircrafts. Wright-Patterson is in the forefront of aircraft development and Foreign Military Sales (FMS). To give you some idea of the scope, AFSC grew from about seven hundred million dollars in FMS in Fiscal 1973 to about six billion dollars in the last year (much of it out of WPAFB). Most of these FMS cases affect

the Foreign Disclosure Policy Office at ASD in one form or another. In spite of this only one person is now assigned to this function. I'm proud to be this person and of the job which I think is an important one.

Today, I want to talk to you about how the bureaucracy works, what you can do about it, and tell you some interesting stories that go along with it. Please note that I'm speaking from the lowest level of authority and that much of it is my personal view, though some of the Air Force policy is represented in these slides which I'm about to show you. (Another slide was shown)

Now, when we talk about foreign disclosure, this is essentially what it means. We're talking about the release of documents, equipment to and visits by foreign nationals, foreign governments, or foreign countries, classified and unclassified, either in written form, or oral and visual, during a visit, or through the sale of equipment.

Having pondered rather thoroughly what I'm going to tell you, since you're not really involved in foreign disclosure, I thought I'd choose one system which is, in my opinion, the most complex system the Air Force has involving foreign disclosure--the F-16 program. (Another slide was shown)

Now, you're all familiar with this slide and I hope nobody from Northrop is here today to take offense. Anyway, the F-16, of course, was chosen by the Air Force and we have a co-production effort with the countries involved including the United States. Why this program is so remarkable is because about fifty percent of the aircraft is going to be produced in Europe and the headaches and the problems we're having on the releasability of the technologies involved to manufacture the aircraft is great. But this is only the beginning, there will be other customers and these five flags will expand. You might not know this, but under the F-16 program, the Europeans which negotiated the basic sale retained the right to produce fifteen percent for any third country sale. So you have a releasability problem of



classified information which goes from U.S. say to Belgium then on to Country X. So the problems will multiply. On the other hand, it makes it quite interesting.

Now let me show you where the foreign disclosure policy originates. (Another slide was shown)

The formulation of national disclosure policy takes place at the National Security Council. This is the uppermost body where the real, basic decisions are made. The National Security Council has the final decision whether or not a basic weapon system should or should not be sold to a given country. This high level decision-making body, of course, does not necessarily go into details as to how many bombs for the airplane should be sold and what kind. But, it does make hard decision, such as whether missiles should be sold to one country and an F-16 to another. The committee underneath it formulates the policy and then the trouble starts because the policy filters down two different ways. Now, I'm going to talk primarily about the military channel because that's the channel I'm sitting in. But let me also briefly address the industrial route since we have so many contractors in the audience. That route is the famous 'ITAR' which you all learned to live with. The U.S. Department of State implements the policy which has been formulated as to the sale of weapon systems or weapon-related systems on a commercial basis. The difference between ITAR and Foreign Military Sales is that in the Foreign Military Sales Program, a foreign customer does not buy, legally speaking, from a commercial entity. He buys from the Service and the Service, in turn, buys from the contractor. For a commercial sale, the contractor applies directly for an export license. If he gets it he is free to go out and market the system he wishes to sell. This sounds easy, but has some built-in problems. For example, if a contractor wants to apply for a license on a classified item, he has to go first to the Primary Contracting Officer and has to ask for permission to reproduce copies of the

classified documents to send it to "another organization" which happens to be the U.S. Department of State. If you apply for a classified export license and the PCO sits at Wright-Patterson Air Force Base, at ASD or any of the Laboratories, and you encounter any problems, please let me know. I honestly and sincerely mean it. I think it's entirely unfair if a PCO would deny you the right to apply for a license because he doesn't think that the item should be sold. The application does not mean that you are going to get the license. In fact, many of those applications come to me and I approve them with a disclaimer. I approve them with a statement that the authority for reproduction in no way commits the Air Force to agree to the approval or disapproval of the license which is only fair because you're not asking for a license from the Air Force. Again, if you have any problems at Wright-Patterson, please let me assist you in getting the license application processed.

Now, for those of you who may not know it, when the State Department gets the license application from industry, it sends it to the DoD for comments. There it vanishes for a while. It goes into the system and is staffed. Then it goes back to the State Department with DoD recommendations and you may get your license. It should be remembered that the State Department has the legal right to overrule the DoD; it rarely ever does, but it has the right to do so. As a matter of fact, it legally is not even obligated to go to the DoD and may, for political considerations, grant or deny a license on its own.

Let me now return very briefly to the military side. The policy has been made to sell an F-16. We have in the Air Force a Foreign Military Sales Office, which negotiates the sales. One of the things the Air Force is very concerned about is if a contractor quotes exact prices. The contractor may sell a given system for a hundred thousand dollars apiece in the United States, which doesn't necessarily mean that the DoD wishes to sell the same system for a hundred thousand dollars under FMS. It may wish to add some money to cover expenses.



(Another slide was shown)

After the basic policy had been made to sell the F-16 weapons system, it finally reaches the Air Force and now it gets interesting. The Air Force now formulates the detailed policy which you and I will have to live by. On the F-16, for example, the USAF determines which parts can be co-produced? Can we let the radar be co-produced? Are we giving away too much technology? Can the E.W. system be co-produced? How does a contractor, in this case, General Dynamics, meet its commitment to have fifty percent co-produced if we have too many foreign disclosure restrictions? These questions are addressed by the Intelligence and R&D people. The policy then moves for implementation to the Vice Chief of Staff's office of the USAF. From there to HQ, AFSC and finally it comes down to ASD. What I wanted to show you now, are a number of policy documents governing this effort. (Another slide was shown)

Let us forget, for the purpose of this briefing, the Air Force internal documents. I want to invite your attention to the Delegation of Disclosure Letter (DDL). This is a key document for any Foreign Military Sale. There are a number of contractors here in the audience who know very well what that is. They are beginning to learn to hate it and to live with it as well. The Delegation of Disclosure Letter is the Air Force's way of spelling out what can or what cannot be given to a foreign country and is issued on Foreign Military Sales on most major weapon systems. (Another slide was shown)

DDL's usually consist of, depending on the complexity of the system, eight or twelve pages. Some of it is administrative in nature, it tells how to release, tells what kind of hand receipt you have to use, and who is authorized to receive the data. You're, I am sure, all familiar with that sort of thing, so I won't go over it. But a DDL also has paragraphs in there, as to what is authorized and what is not authorized to

release and here is where the problems start. The DDL is written in The Pentagon by some very dedicated, highly qualified people, who are, however, somewhat removed from the facts of the real world. These people have convictions which are real and sincere. They are, for example, quite concerned with the flow of technologies to foreign countries. They said, "We must protect the U.S. lead in technology. We cannot release certain information, especially not manufacturing technology." Now, I'm going to give you an example of how that works. When we first got the DDL on the F-16 it was stipulated, for those of you who may know the technical terms, that fly-by wire and composite data are technical areas that could not be manufactured in Europe. Yet, much of the F-16 aircraft consists of composites and fly-by wire controls. Now, how can you have fifty percent of the aircraft manufactured in Europe without the technology to go with it? We went to Washington and explained it very patiently to all these people with the result that the restrictions were lifted. So you can see that a DDL is a document which is very technical, very powerful. Now, what happens after it's issued? The Air Force has its choice, how far down to delegate the responsibility. In the case of the F-16 it was delegated down to my office. (Another slide was shown)

I became what is known as "The Executive Agent" for the F-16 foreign release program. Anything and everything, classified and unclassified, which leaves the U.S. on the F-16, whether it is hardware, or technical information, has to be approved by my office. If it cannot be approved, I can either disapprove it or I can request an exception. This is a tremendous and staggering effort, talking about a thousand aircrafts right now, fifty percent of which would be co-produced in Europe, involving approximately 40 U.S. vendors. There's no way in the world one person can control this from Wright-Patterson AFB. So we had to do something and organize it efficiently.

Here I want to say something which may sound like a commercial but you know in your

own business, any bureaucracy is only as good or as bad as the men who implement the policy. You will have people who shrink back and say, "Line seven, paragraph nine, item twelve, paragraph 1-7 doesn't allow me to do this," and then he goes away; the problem is over for him. Or, you live in the real world and say to yourself: "Look, I may be only a low ranking person but I'm representing a major program. I am charged with this responsibility, and I have to find a way to implement that responsibility." If management does not like the way you do things, let them give it to somebody else, but as long as you are tasked with it, you've got to take action if you believe it is right. Now, I told you, I'm the lowest level. I could avoid all problems since there's always someone higher I can saddle with the problem but I accepted the responsibility and am proud of it.

Well, so what did we do to streamline the release procedures? (A new slide was shown)

I had the DDL and to prove that something can be done in a bureaucracy, we re-delegated part of the responsibility to the AFPRO at General Dynamics. We delegated it to the NAVPRO at Pratt & Whitney. That was one of the first problems because the NAVPRO is administering an Air Force Contract and every time you add an Air Force regulation they have to be educated. For example, we told the NAVPRO that he administered an engine contract for the F-16 which contained a DD-254 with all of the items you know so well. In addition, we referenced the F-16 DDL and thus had it on contract. And that's the key. We put the DDL, which is nothing but an Air Force policy paper, and stuck it in as a contractual document which the contractor now has to live with; and the NAVPRO must administer, thereby becoming, in effect, an extension of my office. In turn, they have educated their U.S. vendors and have established effective control channels for the release of data. Thus, we have taken the initiative to streamline the release procedures and I'm proud to say that the system, with some small

administrative exceptions, works well. Both AFPRO and NAVPRO have accepted that responsibility. But, we have gone further as you can see, we have also done it with the DCASRs.

We have two small contractors who manufacture some very highly sophisticated electronic equipment. Those two are prime contractors, and are not vendors to the major prime contractors. So my job was to find a way to have their releases controlled. It's still relatively easy to task within the military departments and say, "Help me." That you can usually do and with some grumbling and mumbling, you are helped; but now you go to a DCASR which is not a service related organization, but a DoD organization. So I called up the DCASRs in New York and Chicago and I very humbly requested an appointment which they were kind enough to give me and I said, "Look, I want you to be responsible for the release of classified information to a foreign country which the contractors are producing, and I want you to accept the tasking directly from me so that nothing goes out of the two companies which isn't authorized in the DDL." Well, that was difficult because that's not really the DCASRs' primary function. They have other jobs like quality control and contract administration and dozens of other duties including facility inspection, etc. So it took a great deal of persuasion; and I'm proud to tell you again that both DCASRs today have accepted that responsibility and are part of the release process. We entered the DDL on contract and the ACO became responsible. In all fairness to the DCASR, they were very nice about it, though they said they had a great deal to learn about this. But again the idea was redelegation and it worked. So the moral of the story is let the program live and breath and give it to the people closest to the spot. This is what we have done in the F-16 FDPO program. (A new slide was shown)

The next Vu-graph is probably very familiar to you. It means only that the releasability of classified data goes from government to government and those are some of the channels which we have considered for



the F-16. We prefer that all military organizations of the F-16 send classified data after release approval to the respective embassies, rather than send it overseas through a MAAG. The MAAG is understaffed and it's a cumbersome process. We have the embassies in Washington, D.C. It's the shortest route between two points and the cheapest for the U.S. Government. (Another new slide was shown).

This confusing chart means only this: That we have decided that unclassified information can go point to point, but there's a little hook in this. Look at what it says up there. "Unclassified after review/approval." That's one of the things that causes us the greatest headaches. When the Air Force approves the DDL, they don't restrict us just to classified information, that would be simple. We have also unclassified information which is not releasable. That means that we have mountains, literally mountains of information, which have to be reviewed and approved. Now, who do you task to do that? While everybody is quite happy and sincerely understands about approval or disapproval or editing of classified data, everybody says, "My God, why do we have to review unclassified data?" Well, I'm going to tell you about unclassified review/approval. Basically that's a necessity. There has to be and there is documentary information produced for the U.S. Government only. There's a lot of technology, though unclassified, which is new, which is good, which has, except perhaps printed by "Aviation Week," not been disseminated. That must be protected. We cannot go ahead and release that information. On the other hand, the manpower and the responsibility is staggering. The complexity of this can be demonstrated as follows:

We have sold an aircraft. The Pentagon tells us that certain hardware on the aircraft has not been sold so, obviously, the customer is not going to get the information to go with it. But, then you reach a grey area. Most of you are familiar with the Tech Orders, a huge, essential document with nothing but drawings, etc. Let me show you what I

mean. If you have sold an airplane, the customer is entitled to the Tech Orders, but then you have a weapon systems which hangs on the airplane, which the customer did not get, so obviously you don't give him the information about it. But what happens to the basic Tech Order of the aircraft when all the drawings in it refer to the weapon systems which he did not get? Tech Orders are made that way, and I'm coming to the point of why I'm telling you this.

So, the honest, decent, hard-working people in the Pentagon said, "We don't care. You've got to edit that out because, from the software integration of the airplane to that piece of hardware, which they don't get, you can deduce a lot how that piece of hardware works." A very solid and rational decision. So, therefore, you've got to work yourself through a number of documents, about a thousand pages each, and edit out all these wires which lead to this piece of hardware because a developed country, for example, can deduce the capability of that piece of equipment which the United States Government does not wish to release. That's number one, time consuming. Number two, it's very costly and, number three, it's really ridiculous. Let me tell you why.

When we informed the customer that the documentation which they are requesting, would be delayed for delivery because it had to be edited, the customer representative smiled and said, "Why?" "Well, it contains information on items which have not been approved for sale. Since it was not sold, we've got to edit it out and this is going to cost you several thousands of dollars." The guy smiled and said, "Well, first of all, I think it's wrong, and secondly," he said, "Why? I can get it for six dollars and sixty-three cents." I didn't believe him. He said, "I can write to the Air Force Base under the Freedom of Information Act and buy the unedited Tech Order for six dollars and sixty-three cents." I said, "I don't believe you." So the next morning in my best, beautiful German accent, I called up and I said my name is Schmitt and I'm living in Washington and I want to buy a radar Tech Order and



the girl on the other end said, "Yes, sir. How many copies do you want?" I'm not kidding. She said, "Well, they are six dollars and sixty-three cents a copy." And I said, "One copy will be fine." She said, "May I have your address?" And I said, "No, I better call again to let you know how many copies I want." I waited fifteen minutes and called her again and said, "I understand you're selling Tech Orders?" It was the same girl and she said, "Yes, Sir." "Do you sell them to anybody?" She said, "Well, anybody who's willing to pay." "How about foreign nationals?" "No, no, certainly not." I said, "Are you sure?" She said, "Yeah." I said, "How do you know? What's your criteria? How do you know it's not a foreign national?" She said, "Well, as long as they have an address in the U.S., they get it." Now, think about that: On the one hand, we are trying to protect unclassified information from a foreign country and we have been directed to protect all of the software information to be sure that nothing goes, yet the system allows the same Tech Orders, which we were supposed to edit, to be bought for six dollars and sixty-three cents, unedited, because unclassified Tech Orders are available under the Freedom of Information Act to all persons in the U.S., and all you have to do is rent a Post Office Box someplace and order it and you get it. Now, you see, I don't blame the Logistics Command for doing this, because what are you going to do? Send your birth certificate every time you want a Tech Order? Or a passport? You know, that girl, she does her job: That's what she's told to do. I disagree with the gentleman yesterday who said that foreign nationals are automatically under the Freedom of Information Act; in the Air Force they're not. Not automatically.

So, unclassified information, needs to be reviewed, needs to be edited, needs to be released or not released. This causes the contractors a great deal of problems. For example, once the contractor has an export license, or once you have an FMS, are you really expecting the contractor to send each page of unclassified information to a Government office for review? Those problems

had to be solved. What we have done is to let the contractor certify. I just flatly accept the certification from the contractor that what he is about to ship doesn't violate anything in the DDL. I will accept that certification. We keep a copy for a year or so and that's it. We feel this to be a very effective method. And again, that's not written anywhere. That's my own personal initiative, right or wrong, and it works. We have given every element, DCASR, Navy, Air Force, the same right to accept the contractor certification. It works and the information moves. We may have a flap, I don't know. So far we are very lucky because the DDL is on contract. If the contractor certifies, that he has a shipment that does not violate the DDL, and it really does, he would theoretically be in violation of a contract. Yet, the most important thing is the information moves cost effectively. (Another slide was shown)

We have a little problem on this one. I got involved in security assurance for foreign companies. This is something within industrial security. We have the problem that the companies in Europe are not always covered under an industrial security agreement. So the U.S. contractor is giving us the names of all their foreign vendors. We send these to the embassies which sends it to their countries. The country will certify that each facility with which we have a subcontract is cleared to receive classified information, including the personnel which are in the company. This is beginning to work quite well. I don't know if this is something standard or not, I'm just learning it now. (A new slide was shown).

Now, you remember the foreign visitor approval procedure. I don't really want to talk much about it, but, here, every foreign contractor and every foreign government representative needs to go to his embassy and get these visit clearances. We just got a letter from the Belgium industrial security people and that letter wasn't very nice. It said, "Look, we want visit approvals for your people coming over here too. We don't mean security clearances. That's not a

problem. That's always worked quite well. You go through the DCASR system and go to DISCO and they send your clearances over. Yet, we have U.S. contractors popping up here of which we know nothing about." Well, obviously, because the U.S. Industrial Security Manual doesn't require anything for unclassified visits to foreign countries, but we do. We do and nobody comes to Wright-Patterson unless he has a visit authorization, whatever the reason may be, whether it's an unclassified discussion or a future RFP or whatever. So, they're beginning to wake up and say, "Let's reverse that procedure." It may cause a great deal of problem because the visits by U.S. vendors has worked well, but now they're saying, "We want to be sure that all Americans who are coming over on a given contract--unclassified contract, i. e., F-16--have the same approvals as we are required to submit to you."

So we are getting into this area of the foreign countries tightening up. Whether this is only mischievous because we do it to them or if they really have their reasons to do it, I don't know. I'm going over next month and see what we can do to ease the burden on Americans, but we're probably going to wind up requesting visit authorizations for Americans going over on unclassified contracts. We're going to implement that for the F-16 and implement it through industrial security channels, so we're not proposing a change to the ISM or anything else. That would be a little presumptuous on our part.

I want to talk about a couple of other things and maybe answer any questions you might have. (A new slide was shown)

For those of you interested, this is not FMS. That has caused us in the Air Force and at Wright-Patterson a great deal of headache. Now here's what happened. The contracting offices, without consulting the Foreign Disclosure people sent out RFPs to U.S. industry and to anybody who wished to have them. These are unclassified RFPs. The particular story that I'm going to tell you concerns a simulator. There's a foreign

company that's world renowned for simulators. No question about it. Highly qualified. They requested the RFP, received it, and the proposal came in. Nobody, but nobody, thought that for fulfillment of the contract a number of very highly classified documents needed to be made available to the foreign contractor. Now, if the contractor is U.S., no problem. So what if the contractor is foreign? The classified data requires approval in advance of the RFP release to foreign bidders. I urge those of you who are from company security offices to be sure to remember that if you let a subcontract to a foreign country, where the possibility of the release of classified information may be required, to have it approved before you even let them bid. That is the key. The company bids, it comes in as low bidder, and you'd like to award him the contract, but can't. Now that's a very embarrassing situation. So it's very, very important for people in security that if you determine that something is classified, the releasability must be determined in advance. (Another slide was shown)

Now let me tell you about export licenses. Again, under the F-16 we have done something unique. I'm showing it out here for open knowledge, ladies and gentlemen, for unlimited dissemination, public release, you name it. What we have done, we have proposed something different. We have proposed that the F-16 be declared a U.S. Government project. The State Department has approved this. When the F-16 contract was let, we proposed the company be issued blanket license so that they and their vendors do not need any subsequent licenses for the release of information as long as that information is approved at Wright-Patterson Air Force Base. The State Department was very nice and said, "We will give you a blanket license." They issued one to GD and they issued one to Pratt & Whitney and none of their vendors needed any licenses whatsoever to go ahead and go overseas with U.S. Air Force information, classified or unclassified, for the purpose of receiving bids. Now, what the State Department did not do that we were asking for, they did not approve the blanket

issuance of manufacturing licenses. They said, "Once you're ready to sign a purchasing order, you must have a manufacturing license." And again, something very nice happened. That is, the normal routing from the industries--the application from the industries to the Department of State, to the DoD, to the military services and back to State--was changed. What we have done is changed the system whereby I'm the one that coordinates all export licenses on the F-16 for the USAF. What that has done in effect, is that we're getting a license through, if there are no complications, in ten working days, rather than about 42 days. Those of you who are familiar with licenses may agree that's rather fast. (Another slide was shown)

In closing, I think what my predecessor here said is so true, "It's team work." Foreign disclosure is a program of common concern. Whatever it is, we got to work this together. On my part, as I told you before, I promise you if I can help in any way within my own area of responsibility, which is Wright-Patterson, I sure will try. I think Classification plus Foreign Disclosure personnel are going to be a team which can help industry to a degree where they can do their job, we can do ours, and it's going to work well.

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Questions and Answers  
Following Mr. Behr's Speech

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Gerry Gartland, Northrop Corporation:  
A DD-254 has been used to relate the information to a contractor other than a classification guide and we have talked about the DDL. I'd like to get an opinion from some of the classification management people?

Mr. Behr: You've got one right now. I will tell you what it is. We have a classified F-5E package for a given country where a DDL was issued and I placed it right on the DD-254. It was put on about a week ago, you may have noticed that.

Mr. Gartland: I know about it, and we're getting ready for it and we have our work cut out for us. I realize that.

There's one point I'd like to mention. That a DDL is negotiable. We went back to The Pentagon and said, "This is why we can't live with the DDL and do our job on the contract." So we did get some relief and I wanted to bring that point out. It isn't a hard and fast thing.

One more question I have is I would like to know whether or not the contractor could be privy to a security agreement that the U.S. has with a foreign government? Is it possible that a contractor who has a contract with that foreign government could get a copy of the agreement? Do you know of any restrictions?

Mr. Behr: I don't know. I have no idea. I see no reason why you couldn't. In fact, have you checked with the AFPRO?

Mr. Gartland: Yes, we've been referred to several different offices.

Mr. Behr: Let me submit this. If you have a bona fide need which you can justify, get with the AFPRO and tell them that you want a copy for those reasons and the AFPRO will come to me and we'll get you one--the justification will be the guiding light.

Mr. Gartland: Thank you very much.

Fred Koether, DARPA: I'd like to make a comment about the DD-254. We use it for other than giving security classification guidance; it is a very favorable piece of paper because it's a part of a contractual document and you can stick all kinds of things in it and they become a part of the contract as long as it involves security clearance, you know?

Mr. Behr: You said the magic word.

Any other questions?



Mr. Klein: For example, a problem, that an Exchange Officer is coming on board and the DDL restricts him access to classified information. The Project Officer wants to release the classified information, the Foreign Disclosure Policy Office in Washington says we can't amend the DDL. So the project office said we don't want him, the Exchange Officer, and vice versa. The Exchange Officer doesn't want to come there unless he can have access to classified information. Can the DDL be amended?

Mr. Behr: Yes. The DDL can always be amended. It's much better to try to change a rule than go around it. My suggestion to you would be to have the Canadians appeal it, that's the most effective way, rather than you pushing it and carrying all the work, have the Canadians just come in with a letter to DoD and say that they want their Exchange Officer to have access to certain information. Somehow The Pentagon listens more to outsiders than they do to insiders.

Thank you very much.

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## ENVIRONMENT OF THE EIGHTIES

Presentation by

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Before I begin to talk about the '80s, I have one important question to ask: Will we, as individuals, be around to enjoy the benefits and the problems of the 1980's? To help answer this, I'd like to show you this chart.

This chart is known as a Life Table. It is used by statisticians and actuaries. How many have ever seen Life Tables before? Then many of you are familiar with the concept. You take a group of people and trace their survival over time.

There are some lessons to be learned from this Life Table. One is that everyone in the room here, with the proper personal life style management, should be around to enjoy the benefits and face the problems of the 1980's. No matter what age group you look at here on the chart, no matter what age you put down, the probability is that if you survived this far, you're going to survive at least ten or fifteen years more. So that's the good news!

Now, there are some problems associated with this picture. First, notice that women at any age tend to live longer than men at the same age. Second, in the past (and I understand that with the current generation this might not be true), men tended to marry women younger than them. So what happened, or what is expected to be happening, is that many of the wives here today and many of your wives who aren't here today will be facing many years in widowhood. Now, another thing that is important, and I'll ask the question: How many people here have thought about their estates, have thought about their wills? How many people have done their own personal financial management? I'd like to see a show of hands. How many have intended,

like I have, but haven't quite got around to it because they're that busy at work? This is very important. The laws that I discovered as I look at this problem are complex, so one important message is that, while you're working for others, and managing security classification, take the time to work on your own problems.

These tables are a statistical aggregate of everyone in the age group. Let me give you some other specific information which is a better personal predictor.

This is a chart of blood pressure readings. How many people here have had a blood pressure reading in the last six months? Let's see a show of hands. That's very good. That's unusual. How many know what their blood pressure is? Okay. How many have blood pressure over the years that has been rising and is now in the area of ninety to a hundred?

This is another area of personal management. In the old days, we used to look at blood pressure and take the systolic pressure which was the pressure of the system when the heart was contracting. Now we find that a more accurate measure is the diastolic pressure, which is the bottom part of the equation, the denominator, which is the pressure when the heart is relaxed. The chart shows the various gradations running up to "high blood pressure." Let me show you the effect of these gradations. Look at age forty-five, running from top to bottom you can see that every degree of increase in blood pressure is equivalent to about a six months decrease in life span. So, I would like to ask everyone in the room here to devote some additional attention to themselves and to take regular blood pressure readings and to work to keep it under control.

Now, I'd like to introduce a concept which many of you are familiar with: It is called stress management. We are a sum total of all our experiences. Unpleasant experiences, pleasant experiences, change, and so forth, all have an effect on us. And while people differ in their specific responses to specific stresses, basically, all changes,

all problems, and even all pleasures cause stress. There's a certain stress budget which you, as an individual, can manage. I tell my co-workers that they can only keep one foot on a banana peel at any one time; that if they're having problems at home, try to avoid problems at work and vice versa. You cannot perform in your personal and professional life if you do not have a stable base. (Another slide was shown.)

Notice that the stress associated with marital separation is quite high, sixty-five; but the stress associated with reconciliation is nearly as high. So all emotional experiences have a cost.

Now, while I began my talk about individuals, I'd like to shift my emphasis to society as a whole. A society also is subject to strains and stresses. Here are the strains and stresses that I see for our world society for the decade of 1975 to 1985. (A new slide was shown.)

Toffler, the author of "Future Shock," predicted that the next decade could be described as an economic shake up, in the midst of ecological crises, technological and political upsets, revolutionary changes in family structure, values, sexual attitudes, military and co-political power balances. That's a pretty devastating estimate of the shocks that we will face in the next ten years.

I see the next ten years as a decade of turbulence, transformation, and danger. We are facing in the next ten years, as a society, many problems. If we don't face up to them and work them, they will accumulate and have the same effect on our society and on our democracy as individual stresses would have on the individual.

For example, one of the most important stresses I see is a weakened resolve; a lack of direction, an inability to defend and act in our own vital interests. I see signs that most people recognize this in the nostalgia we have for Harry Truman, "Where are you now, Harry, when we need you?"

I have a question. Again, a subjective estimate. How many of you feel that we have, forgetting political party, a resolute, cohesive national leadership that is willing to identify and face problems? How many feel that we have that? Okay. How many feel that our national leadership is not willing to face problems in a timely manner? I'd like to see a show of hands. Okay. Do you think that fifteen or twenty years ago our national leadership was more or less resolved than it is now? How many feel that twenty years ago, our political institutions produced leaders more willing to face problems?

The next item on the chart is "Increase in the tempo of change, less predictability, more uncertainty." We had a Johnson landslide and it looked as if the Republican Party was buried and would remain buried for ten or twenty years. Remember the predictions that for ten or twenty years they would be out in the wilderness? Then we had a Nixon landslide and we had the predictions that the Democrats would be out in the wilderness for ten or twenty years.

Look at transportation in terms of aircraft. Look at the radical changes. Look at the automobile and street traffic and look at the fact that if anything, it takes you longer to get from one end of town to the other now than it did ten or twenty years ago. How many people feel that technical predictions can be made now with more assurance than ten years ago? How many with less? How many feel that it's more difficult to take the next decade and predict developments than it was for the last? How many feel that way?

Some other things. "Population growth, urbanization and overcrowding." How many people come from San Diego? How many visited San Diego five and ten years ago? Is this the same San Diego in terms of development and traffic that you knew ten years ago? Does the same thing apply to the environs of Los Angeles? Is there anyone who's been to Washington in the last decade? Remember the area around Dulles? Dulles was that airport way out in the sticks. Now where is



Dulles in terms of surrounding development? This is true all over the country.

"Shortage of risk capital." Risk capital is extremely important to create jobs for the future. I'll touch on this later. "Less personal and economic security." How many feel that their children will have a more difficult time choosing a career which will stay viable and needed? How many feel that the younger generation has a tougher time knowing what field to go in to?

"Famine, shortages of water and raw materials." I'll cover that later. "Increasing military capability, new weapons and war." "Environmental degradation." These are just some of the stresses.

Now, I'm not predicting that all of these will happen, but I am predicting that every one of these has the possibility of happening and many will happen if we don't understand them, face up to them and work these problems. I will come back to this chart a little later. This is sort of the basic chart for my discussion. (A new slide was shown.)

Where do we stand as a country? First, let's talk about economics--when you talk about "Economics," you generally talk about various measures. One measure is total output. As a country we are indeed fortunate. When you look at our gross national product, which is the sum of all goods and services we produce, we're twice as well off as our nearest competitor, the Soviet Union. For those of you who have read discussions, we measure things differently than they do; labor, materials, finished goods have different price ratios. Any estimates of their relative gross national product ranges between forty and sixty percent of ours. Thus, as an approximation, you can say that we stand twice as high as the Soviet Union in gross national product. We also stand twice as high as the whole European community combined. As an economy our country is very strong. We have a lot of raw material to work with. We have a large and educated population. We have wealth. We're starting from a very good base.

Other economical measures that you can look at are financial reserves--on that we're also quite high. Germany is the leading country in terms of financial reserves. Saudi Arabia is a sleeper and growing fast. They're building up their reserves much faster than they can use them. I'll touch on that later.

Myer Kahn, Tracor: What year is that?

Dr. Laitin: These are 1975 figures. You have to adjust about ten percent to bring these figures up to 1976.

When it comes to food, the United States is the major grain exporter in the world. We export more than the rest of the world put together. In a world where two-thirds of the countries are net importers, we are the major net exporter.

When it comes to oil production, the Soviets have surpassed us. We are still up there; the difference here is not our production, but the fact that our demand and consumption are growing at a much greater rate than our production. Our production has declined slightly, while our demand has been increasing at a rapid rate.

When you look at world economic power, the United States, by any measure, is a very, very viable country. Okay, what does that mean to us as individuals? (A new slide was shown.)

Generally an individual looks at "Economics" in terms of the effort he has to put forth in exchange for the goods and services that he receives. This chart shows some of the necessities of life, such as a fifth of whiskey. In Japan, a worker has to work three hundred and thirty minutes to earn a fifth as against eighty minutes in the United States. So by various consumer goods--and producer goods measures, you can see that the average American worker puts in far less effort for his return than do workers in the rest of the world. The economic power of the United States is indeed translated into a high standard of living for the individual.

Now, I have some composite figures for the United States population. (A new slide was shown.)

Three-quarters of our population is over the poverty level. This is something that has never been achieved before in world history. And I'm sure if you look at your incomes and look at this chart, you'll find that you, personally, are well up in the economic-social scale of the United States. So we have done well as a nation, our working force has done well, and relative to our working force, I think the people here today have also done very well.

Now, one can always make comparisons and say, "Well, I'm doing well, but how am I doing compared to others?" So I listed some other occupations that people might have decided to engage in. (A new slide was shown.)

It's true that there are other occupations that are more lucrative. I don't know how the security is here at the hotel, but I did determine that for hotel burglars seventy-five thousand dollars is sort of an average figure. If the people at this meeting don't lock their doors and secure their briefcases, this might turn out to be a larger figure for the San Diego hotel thieves.

Now, is there a fly in the ointment? How many feel that with taxes and inflation, they are gaining on the rest of society? How many feel that they're just hanging on? How many have the feeling that they are making personal economic progress? Can I see a show of hands of those who feel that they are making relative progress, as individuals? How many have the feeling that they're just sort of keeping up with or slightly ahead of inflation, taxes and so on? What you feel is a general middle-class feeling. In other words, as you have an increase in gross national product, as you move up in your profession, as you achieve status, somehow you have the feeling that what has happened to you is that you've just kept ahead of inflation and taxes. For example, that will that I suggested you make has gone up about fifty

percent in cost in the last ten years. Your food, your rent, your housing, your taxes have all increased.

Now, one major question for our economic and social class, what's going to happen to our relative position in the future? (A new slide was shown.)

Here are the numbers relative to inflation. If inflation continues, the way it has been going, this is the income you'll need in 1985. Let me take somebody who makes twenty-five thousand. They will need ninety-one thousand dollars in 1985. Now, I've had a personal experience recently. I paid thirty-eight thousand dollars for my house. When we bought it, I told my wife, "I'm going to progress, honey. Stick with me and some day you'll be living in a hundred thousand dollar house." Well, we are living in a hundred thousand dollar house. But we haven't moved. I got my assessment from the county tax assessor and we're assessed for seventy-one thousand dollars. My neighbor has just listed his house for a hundred thousand dollars. Now the major problem of selling your house for a hundred thousand dollars is that with the increase of interest rates, and so forth, the only way to cash in is to move to some area where there's a depression or you have to get out of the housing market entirely. My neighbor, who listed his house, is retiring from Hughes Aircraft in three years. He bought property way out and is planning to live in a trailer. Now, what I predict is going to happen is that there'll be increased urbanization and his taxes will go up. Within the next several years he'll find that he has traded a hundred thousand dollar house for a hundred thousand dollar trailer. Now, let me talk a little more about the economy. (A new slide was shown.)

I was asked to develop some economic predictions for this group. I went around and discovered there's a great variety in the ways people view the economy. This is the economy seen by the Democrats. Notice, there's the tremendous emphasis on unemployment. During this campaign, you'll be hearing more from the Democrats about

jobs, about the creation of jobs and about full employment. This is the Democratic view of the economy. (A new slide was shown.)

Now for every view, there's a counter view. This is the Republican view of the economy. If you look at various measures such as retail sales, new car sales, real incomes, things are going up. But there are two problems; one is prices and the other is unemployment. So you'll be hearing a lot of statements about the economy. (A new slide was shown.)

Here is the Chase Bank's economic forecast which is a bit conservative and pessimistic. What they see is a slow growth rate with possible depression, and possible inflation.

Long run, nearly all forecasters predict moderate growth and the possibility of inflation, if we don't manage our money supply. Many predict a shortage of capital investment, fairly high unemployment. The high unemployment I'd like to touch upon because it's going to hit your children and my children, and we have to do something about capital investment, and job creation. If we don't this current generation will face problems that we didn't have to face.

I would like to show you some population figures. (A new slide was shown.)

What I have here is a graphic representation of the U. S. population. Here is the fifteen to nineteen year old age group, and it is this group in the next decade that will be entering the labor force. It requires between fifty and a hundred thousand dollars of capital investment for each one of them to create a job. It is this group that we're going to have to think about. How do we absorb them--not only into jobs, but into careers? How do we give them meaningful and productive work? At one time, the Bachelor's Degree was a ticket to success. Later on a Master's Degree became a ticket to success. Later on a Doctorate became a ticket to success. Then in the recent engineering depression a Doctorate was sort of

a ticket to failure because most companies said, "Well, you're over-qualified for our openings." Now, youth has found that education is an uncertain route to a job. How will we do it? This is a problem that has to be faced up to.

Making population projections is fairly easy because every one who will be ten years old or above, ten years from now, has already been born, so most of the work has already been done for us. We have the Life Tables. We have the Attrition Tables. All we have to estimate is: What will the birth rate be? (A new slide was shown.)

One way of making this estimate is to take a group of women and follow them and see what happens to each age cohort in terms of the number of children. Well, for the last several years the number of births for women in each of the various age groups has been decreasing. Thus, most of the current forecasts, in the United States, make the assumption that the average number of births per woman during the child bearing years will continue to go down. Demographers realize the problems with this kind of assumption because if you look at data over a longer historical period, you find that the data looks like a roller coaster; the trend goes down, then up, then down, then up, then down. What's the trend going to be? These data illustrate the difficulty of making long-range predictions from short-range trends.

Here are my population predictions. I'd like to emphasize just a few of them and the implications for this audience. First, the age group I mentioned, the young age group, is going to be entering the work force. Secondly, the older age groups are going to be increasing. So we have two age groups we have to think about and plan for. The people entering the labor force, the people I mentioned who need careers, but also we have to think about the people as they reach sixty or sixty-five and the effect on them of our current retirement and income policies. How many people here are members of the Social Security system? To how many people here is Social Security the major component of their retirement income? To how many



people is Social Security only a minor part of their retirement income? How many have, in your retirement plan, a cost of living or other inflation adjuster? It appears that this group is indeed privileged and fortunate, because most of American society will be heavily dependent on their Social Security income. How many have been reading articles about the Social Security system potentially being bankrupt? This is the kind of thing that should raise concern. But the real factor is that Social Security was never meant to be an investment system. It was really meant to be a cash-flow system and the ratios that are relevant in Social Security are the number of retired workers related to the number of members in the work force. What we expect under current policies is that there will be many more retirees per active worker. To put it the other way, there will be fewer workers to support each retiree. So the Social Security system is facing a problem, but it's not the problem that's often been stated. The problem is how are we going to generate the wealth, the income out of the working group to pay for our various social objectives: health, unemployment, social security and retirement? So that is a severe problem. Let me profile some of the factors of the aged. (A new slide was shown.)

I mentioned they're growing in numbers and there's an increasing ratio of women to men. A major percentage of these women are going to be widowed. We are going to have an awfully large number of old people, an awfully large number of women, an awfully large number of widowed women. For the most part, they're going to be living in the cities and in the suburbs. We talked about personal security before, we know that crime is increasing. We know that these women, these retired couples are prey for criminals; for burglars, for purse snatchers and so forth. We know that the housing they can afford puts them in marginal areas so that unless we do something, the lives of these people are going to be very difficult. Currently we spend a large amount each year; twenty-five percent of the federal budget goes to this type of income security and other programs like that. This amount will

have to increase if we're going to even provide the same level which we have now. How many feel we have adequately provided for our aged in terms of services and income? How many feel we don't?

Now, the aged vote. They have a very high percentage of participation. This is a basis of power. The political process can be used to redistribute wealth and income. So unless we have programs for the aged, we'll have alienation of two groups of society; the group aged sixty or sixty-five and above, and the group aged twenty to thirty. How many feel we are really working out programs to accommodate these two age levels? How many feel we aren't? This is a ticking social time bomb. Domestically, I think this is something we have to focus on.

I'd like to shift to the international scene and read to you a projection that was made in 1835 and I think by luck or by skill has stood the test of time. (A new slide was shown.)

This is by De Tocqueville. It appears in "Democracy in America," Volume One, the New Library Edition. And he says the following:

"There are at the present time two great nations in the world which started from different points, but seem to tend towards the same end. I allude to the Russians and the Americans. All other nations seem to have nearly reached their limits, and they have only to maintain their power, but these are still in the act of growth. All others have stopped, or continue to advance with extreme difficulty; those alone are proceeding with ease and celerity along a path to which no limit can be perceived. The American struggles against the obstacles that nature opposes to him; the adversaries of the Russian are men. The former combats the wilderness and the savage life; the latter, the civilization with all its arms.

"The conquests of the American are therefore gained by the plowshare; those of the Russian by the sword. The Anglo-American relies upon personal interests to accomplish his ends and gives free scope to the unguided strength and common sense of the people; the Russian centers all the authority of society in a single arm. The principal instrument of the former is freedom; the latter, servitude. Their starting point is different and their courses not the same; yet, each of them seems marked out by the will of heaven to sway destinies of half the globe."

Now, that was written a hundred and forty years ago. I think that, by fortune or by good perception, this projection has stood the test of time. I think that internationally, our relationships with the world and with each other domestically will be dominated by our relationships with the Soviet Union. I think that this is going to be the key-driving variable. Now where do we stand?

Let me go back to the nineteen-fifties and take a snapshot view. It's awfully useful to look back and see what happened, because to every decade the then current problems look severe. And I'm sure that during the next decade or two, every time we take a snapshot view, it will appear to us that our problems are very, very severe.

I want to make just one remark about predicting ten or fifteen years out. If you look at the trends of population, if you look at the trends of raw materials, the trends of pollution and so forth, it looks like everything in the world is going to come to a screeching halt in 1985 or 1990. As Herman Kahn has said, "It looks as if we designed this world to be abandoned in 1985." Trends always look this way; in ten or fifteen years everything's going to collide and come to a grinding halt. We just can't go on with making linear extrapolations. (A new slide was shown.)

Well, let's go back to the 1950's. The world was divided into two hostile camps and the cold war was at its peak. Do you remember the Korean War? We were actually fighting Chinese Communists. Communism had taken over Poland, Romania, Czechoslovakia, Bulgaria and Hungary. Communism was on the march. Under siege was Turkey, Greece, and Finland. Nobody thought that the Greek Civil War would come out with the Communists being defeated. So if you looked at 1950, the world situation was grim and the trends looked very much against us.

Let me take another snapshot a decade later. Castro had taken over in Cuba. He was no longer being regarded as an Agrarian reformer. He had surfaced as a Communist regime. He was attempting to export subversion to Latin America and the assumption was that Castroism would take over Latin America; that by this time, not only would Latin America be Communist, but would be Castro Communist. How many remember those predictions fifteen years ago? How many believed them fifteen years ago? Okay. They were very, very close to coming true in many ways.

The Soviet Union was pressing hard in Berlin. Do you remember the Berlin Blockade? Do you remember the Berlin Wall? Do you remember the alerts of U.S. troops? Remember the reports about the U.S. troop's inability to contain a Soviet invasion of Europe?

Laos was in a state of political and military disintegration. At that point in time, the U.S. thought that we were going to have to pull out. It took fifteen years for it to happen, but fifteen years ago it was considered likely to occur any day.

Remember Sigmund Rhee in Korea? Remember the riots, the economic stagnation? The question was if the Rhee Government fell, what would replace it? How many remember the problems of Korea in the 1960's?

Japan was isolated from Asia; its relations with U.S. were strained. Remember Eisenhower couldn't visit there. Remember the riots. Our relations were strained, and the American President's safety couldn't be guaranteed.

Indonesia, remember the fact they had a strong Communist government that was expansionistic?

Africa, remember Patrice Lumumba? Remember the Congo? Remember the emerging African states and the belief that out of this turmoil they would all turn to Communism and that Africa would be solid Communist? Africa is still under threat.

Remember the U2 incident--the U.S. and Soviet Union summit was cancelled.

Remember the U.S. balance of payments problems and the likelihood of withdrawing U.S. forces from Europe?

Last but not least; the U.S. growth rate at that time was half of the Soviet Union's and many economists believed that the Soviet Union would overtake us. The Soviet five year plans talked about overtaking us. Did that decade look grim? Okay. We've weathered that decade. Let's look at the current picture. (A new slide was shown.)

Europe. The growth of the Communist Party; they're now considered respectable in France and Italy. Notice how the Italian Communists are talking about being "Italian Communists" rather than world Communists. The French Communists are talking about being "French Communists." There's a growth in their respectability. In France and Italy many of the population believe that one can have local governments of Communists, and that one can even have Communists in the national government. Okay, is this is a danger?

The future of Portugal. A short time ago it looked like the Communists would take over. The possibility is still there.

Who knows what will happen in Portugal in the next ten years. Also Spain.

We've withdrawn from Viet Nam. There's still the question of the U.S. relationships with the countries of Southeast Asia.

The political isolation of Taiwan. If I had been more farsighted, I would have put down, "The Political Isolation of Republic of China," then I would have crossed it out and substituted the word "Taiwan." You saw what happened at the Canadian Olympics. You see this constant campaign to isolate Taiwan. Who knows what the depth of our commitment there is.

"Strained relationship with India."

"Soviet influence on Syria and Libya."

"The oil embargo."

We all went through the embargo. We still face threats of future embargos. I have a question to ask: How many feel that we've made progress in energy over the last few years? How many feel we've made no progress? Okay. How many feel we have an energy plan to make us self-sufficient in the next ten or fifteen years (or, at least, to make us reasonably self sufficient)? How many feel we've made three years worth of progress in the last three years? Do you feel we're facing up to our energy problems?

"The problems of the Palestinians and civil strife in Lebanon." Here is an area where there are no easy solutions; maybe there are no solutions.

"Soviet penetration in Africa."

What's going to happen to Rhodesia and South Africa?

Castro is still very much alive and kicking, and again we have the possibility of subversion in South America.

These are some of the problems we face today. Now the reason I showed some of the



problems of the 1950's and 1960's is to show that any time you compile a list of problems like this one, people have a tendency to throw up their hands and say, "Good God, we can't cope with it." And the worst thing that can happen to our country is that feeling of resignation; that these problems are too much for us to cope with. Because if we do not cope with these problems, we will have what we fear most. These problems compound!

When we talk about our competition with the Soviet Union, there are two major areas we tend to emphasize: one is economic, the other is military. Now, I'd like to dwell a bit more on the military. (A new slide was shown.)

Here are official military estimates compiled by the U.S. Chief of Staff. The Chief of Staff states our strategic nuclear forces are approximately in balance. In terms of ground forces and ground equipment such as tanks and guns, the Soviets outgun the U.S., especially in Europe. In the air, the U.S. has superior forces. The Soviet Navy is increasing in strength. The official estimate says that basically, we have rough parity with the Soviet Union. Now, there are those that disagree and feel that our strength is falling behind that of the Soviet Union. For example, Admiral Zumwalt. There are others on the other side who also disagree. Many of these talk about over-kill and say, "Gee, any war, any confrontation will be nuclear and killing a person dead two or three or four times is no more effective than killing him dead once." Again, here is the official estimate and that's "rough parity."

Now, what I have here is a Defense Department chart which shows what has been happening between 1973 and 1975. (A new slide was shown.)

The Soviets have been out-producing the United States in various equipment categories such as tanks, personnel carriers, artillery, helicopters, tactical aircraft, bombers, and so forth. The Soviet hardware procurement has been much larger than the U.S. hardware

procurement. Many people point to this with alarm. Now, is this trend likely to continue? The answer to that appears to be, "Yes," because the U.S. defense procurement in terms of real dollars has been declining. If you look at the United States defense budget, you find that, since we have gone to an all volunteer service, our wage bill has gone up to where it currently accounts for more than half of our defense appropriation. Therefore, in terms of military strength, we are purchasing much less for the dollar than we did a few years ago, even in terms of constant dollars.

Now, I ask: Is this important? (From here on you're really free to disagree with me. What you're hearing now are my personal views, which you may agree with or disagree with.) The answer to this question depends on the Soviets. It doesn't depend on us, it depends on the Soviets. Are they our friend or are they our foe? I believe that they are really neither. They're an adversary. They have certain political and military objectives. Their political objectives have remained unchanged. Now, you hear talk about doves and talk about hawks in the Kremlin. Most of these statements have been created by U.S. observers. Basically, the Soviets feel they have a mission in life; the Soviets have a set of beliefs and these beliefs are publicly debated.

Okay. What has changed? The Soviets currently have a growing confidence in the ultimate outcome of the struggle. The Soviets have looked at their successes and our failures and they now feel that the momentum is with them. They view detente not as an accommodation, but as a constraint on the possible military struggle. They do not feel that detente is a major constraint on their potential actions. They feel they will continue pursuing their goals. Now these aren't my words, remember the Soviets debate quite a bit publicly. There are two excellent books out, one by the fellow who headed the Moscow Bureau for the Washington Post; the other by the fellow who headed the Bureau for the New York Times. Neither of these newspapers can be accused of having rightest

leanings. While these are very publicly debated in the Soviet Union, our problem is that we do not read and our public press does not report what is said in these public debates. I recommend that anyone who's interested in the Soviets obtain either of these two books. These will help bring you up to date on current Soviet political and military thinking.

The Soviets will keep probing. In the Mid East, if you remember the Soviet Union delivered arms before and continued to deliver arms during the '73 War. They brought in surface to surface missiles, and they unveiled the warheads in Egypt. Look at the recent situation in Angola. In Viet Nam, the Soviets mounted a massive resupply effort after the Paris Accords.

The Soviets are very conservative. They're not adventuristic. The Soviets prefer to keep pressing. I think Senator Jackson described them in a very apt way. He compared them to a hotel burglar. He said they go down the hall from door to door. They try each door. If they find one unlocked, then they ease it open slowly. If they hear any noise at all then they back off. If they don't hear a noise they move in. If there's somebody there, then they'll say, "Oh, sorry, wrong room." Then they'll go out in the hall and they'll keep going from door to door, because they know that somebody is going to leave his door opened and leave his valuables in his room. If there is opposition, if there is resistance, then the Soviets tend to back off and wait for another opportunity. So the Soviets keep pushing. They are not adventuristic; they are conservative.

Another moderating force is China. There's a long border between China and the Soviet Union. There is a history of disputed territories. China has tremendous manpower and nuclear weapons.

So here is the Soviet Union looking at us with one eye and looking at the Chinese with the other eye.

I have another chart to help re-enforce my question, "Is a firm promise from the Soviets really a commitment?" (A new slide was shown.)

How many remember the cease fire in the Middle East after the 1967 War? Do you remember that there was supposed to be a surface to air missile-free zone next to the Suez Canal? Do you remember that part of the peace accord? Do you remember that when the Soviets and the Egyptians moved in the missiles, the first U.S. reaction was to say they weren't there? Then the U.S. reaction was to say that it really didn't matter? The Soviets took the offense, and moved the weapons in. The Soviets manned the weapons and yet the U.S. reaction was that it was really okay.

Do you remember the agreements after the Cuban Missile Crisis about no nuclear arms in Cuba? Yet Soviet nuclear armed subs have visited Cuba. Again, they watched our reaction. This was something that they could withdraw from.

North Viet Nam. Remember the Paris Accords and then the re-supply of North Vietnamese forces in South Viet Nam? Remember Henry Kissinger's very bitter words: "We shall not forget who supplied the arms which North Viet Nam used to make a mockery of its signature on the Paris Accords." The massive re-supply was publicly documented in the U.S. by means of aerial photographs.

The Mid East. There was a peace offensive by the Arabs in 1973. There was a stockpiling of arms. There was the evacuation of Soviet families. There was the launching of reconnaissance satellites in a timely manner to be over the battle zone. At the same time there was an agreement between the Soviets and the U.S. to cool it in the Mid East. To keep each other informed.

Solzhenitsyn, one of the best known Soviet dissidents, stated that in an isolated society, such as the Soviet Union, you can

manage information, and actually create a 1984 world. This has been a major point in his talks in the United States, and that the Soviet mentality is very different from the U.S. mentality.

After the recent SALT negotiations, the head of the U.S. team talked about negotiations with the Soviets as being viewed by them as a continuation of the struggle. How many people have bought a new or used car? How many have negotiated for a car? If you've ever negotiated for a used car, if you've ever sold cars, the Soviet's techniques would be very familiar to you. If your basic training was in the State Department, then these techniques would be news to you.

First, the Soviets view negotiation as a "zero sum game." A zero sum game means that there's a fixed prize. If I win something, you lose something. If you lose, I win. There is no such thing as synergism. There is no such thing as working together for a mutual gain. Okay. If you have this kind of mentality in negotiations, then negotiations become a struggle because there's nothing you can give to me that won't have a cost to you. That's the first thing, negotiations are a zero sum game.

Second, there is an amazing tactical versatility. Some of the tactics they use include creating very special meanings for words. They use quotations out of context, nuance differences, and imprecise language when they talk about their limitations and precise language when they talk about our limitations. One of the major techniques they use is to give the expectation that if you give up something tangible today that they will be more flexible in the future.

They don't have the typically American concept of giving up something to demonstrate good will. How many of you have been trained that way since childhood? To take the first step to show the other person that you're sincere. How many of you have foreign friends? Have you ever discussed this concept with your foreign friends? Do they

believe that accommodation is a sign of good will or is it a sign of weakness? Most of the students I teach at USC are foreign students. This term I took a poll. Most students from the Middle East and most of the students from Asia believed that an accommodation is a sign of weakness. And that the proper response for an accommodation is to exploit the other person's weakness by following up with more demands. This is important because, while we have one concept of negotiations, other societies have another. This is not meant to fault any society. It is important that we recognize people differ.

Another technique includes taking extreme positions and then moving to even stronger positions, rather than to weaker ones. There are various courses around that are called the "Art of Negotiation." How many have attended one of those courses? Is this not a strategy they tell you about? First, get the other person in a negotiating mood and then back off to a stronger position. Have you ever listed a house with a real estate broker who told you how good the market was and how it would be almost criminal not to list your house. So, you listed your house. Then a few weeks later, he was back telling you had bad the market is? Have you ever been through that? It's a standard negotiating technique to get someone close to an agreement, especially where he feels that achieving an agreement is an important end product, and then to back off. U.S. negotiators have always worked under this strain because the U.S. negotiators have made their commitments to their superiors and the politicians have made their commitments to the U.S. public.

Our art services group keeps telling me that, "A picture is worth a thousand words," so this picture will substitute for my next thousand words. (A new slide was shown.)

There is a proverb which states that, "If you can make an enemy take one step backwards, you can make him take a thousand." This is a principle of negotiation when we deal with certain other governments. If



they can force us to take one small step back, we can be forced to take another one, and another one, and another one.

So as I said I think the major driving force for the next decade will be our relations with the Soviet Union.

What do I see in terms of the rest of the world? Europe. Most of our attention historically has been focused on Europe. I see a shaky military alliance dependent on the U.S. for military security with leadership drift and uncertainty. Every time there's a crisis, I see Europe trying to hunker down and withdraw from the eye of the storm. I see economic difficulties. I see the growth of the Left. I see a very difficult decade for Europe and for our relationships with Europe.

Africa. Usually Africa is a continent that we ignore. I know the way I learned about Africa is that my son draws a map of Africa each year in his Social Studies class. Nearly every time he does this, some country has changed its name. Africa is extremely important to us as a storehouse of materials. Africa is also extremely important to us as a trouble spot. Now, what's been happening in Africa? We became aware of Africa very recently because of events in Angola, Rhodesia, and South Africa. The Soviets have been very active in Africa providing both military aid and advisors. (A new slide was shown.)

The red dots on this map show where the Soviets have been pouring in advisors and military aid in Africa. What has been the U.S. reaction to the Soviet aid? Congressional resolutions forbidding U.S. actions, right? What do you expect to continue to happen in Africa? I think additional Soviet penetration.

So Africa has come briefly into our view. The United States has a problem as a people. We can focus only on one problem at a time. We can only have one item on our list. We cannot work Europe if there's a problem in Africa. We cannot work Africa if there's a problem in the Middle East. One of the

things I'd like to emphasize is that we will have to work all of these problems simultaneously. We can't really solve problems. All we can do is to improve situations, and we will have to work on many situations simultaneously.

The Middle East. A focal point of the Middle East is Israel. Israel is a small country with a small population, and a small gross national product which mostly goes to defense. Israel is suffering from inflation, trade deficit, and foreign debts. Here's Israel, a country that is beset by many difficulties. An Israeli joke tells about Moses. The Israeli asks, "Why does Moses get such homage and such honor? After all, Moses walked all over the desert for forty years and then managed to stop in the only damn place that doesn't have oil?" (Another slide was shown.)

Here is a view of the Mid East crisis from Israel. Israel's goals are security and peace. Security means secure borders and recognition. Peace is needed because of the percentage of GNP going to defense. Internal problems include not only inflation, but the absorption of refugees coming from the Soviet Union and from Arab countries. Now, one thing that has not been focused on is the large number of Jews that have come from Arab countries and from Oriental countries. These Jews come to Israel with the living standards and the health standards of the countries they came from. They must be trained and culturally absorbed. So Israel has tremendous burden of absorbing and socially integrating them.

Many observers of Israel believe that, if there were not an Arab threat surrounding them, internal social problems would cause Israel to disintegrate; and if the Arabs want to cause Israel to fall then the most effective thing the Arabs could do is to guarantee Israel secure borders, and then pull back, work on their economic development, and let nature take its course. Currently Israel feels isolated. They feel the erosion of world support. You can see it in the United Nations. During the Yom Kippur War,

France and England embargoed arms deliveries to Israel. The U.S. was refused over-flight transit rights.

On the other side of the coin is the view from the Arab lands. Their stated goal is to isolate Israel: in the U.N., in the various organs of the U.N., in terms of business, commerce, boycotts, black lists, and so on. They feel that time's on their side, both in terms of their population growth and in terms of possible long range political solidarity. Terrorism is a legitimate weapon. Oil is a legitimate weapon; that there's an increase in world support and that there are certain non-negotiable demands: "The rights of Palestinians," "Return of Arab lands," and "No partial agreements." When you talk about the rights of Palestinians, this is a very difficult thing to cope with because the most extreme Palestinian groups say that they want the return of all Arab lands. This means all of Israel. If you believe in no partial agreements, and if you require all Arab groups to be happy then you can see that there's a confrontation for which there is no solution. There may be long-range easing, but there is no basis for solution.

Now, the sleeper in the Middle East is Saudi Arabia. Saudi Arabia is a large country with a small population; seven million people. They have a total output of only forty-five billion a year, but they have twenty-five percent of the world's known reserves of oil and they are developing fantastic financial reserves and a fantastic economic development program. And they are committed to financing military and economic development in other Arab countries. So, one of the key countries in the Middle East over the next ten years, one which is starting to use its economic leverage for political ends, is Saudi Arabia.

How many feel the Middle East is a powder keg? If you were an arbitrator, could you come up with a solution that would be acceptable to both Israel and to the Arabs? How many feel that the best we can do is to keep the situation diffused? Okay. Do you think the Kissinger step-by-step is still a

viable method? The point, again, is that here is a problem that has to be worked.

Asia is another area of uncertainty.

North Viet Nam. Will they be expansionists? What is the relationship with their neighbors going to be?

Taiwan. What's the reliability of the U.S. commitment?

Japan. Will they go nuclear? What will their economic development be? What will their regional security role be?

Korea. Will the North Koreans test us further? Will the U.S. withdraw? Will there be war? Will there be unification? These are all uncertainties.

India. Strained relations, population increase, economic mismanagement.

So here is the world, each of the areas: Europe, the Middle East, Africa, Asia. How many feel the problems that we have listed are really being cohesively worked on with a joint national strategy? How many feel we're not? How many can predict where the next potential catastrophe is going to come from? How many feel that we can predict possible catastrophes, in terms of creating a matrix showing where they might come from? Okay, that's what I attempted to do. While it's impossible for us to predict the future, it is possible for us to look at certain trends and developments and try to work out programs which help to moderate their effects.

I'd like to talk about some other problems.

Population growth. World population is increasing and it's increasing in the under-developed countries. We're over four billion people now. Within a decade we'll be about 5.2 billion. (A new slide was shown.)

We used to talk about the "Second World" and the "Third World." Now we're talking about the "Fourth World" and the "Fifth

World." These are the areas which have no chance of economic development. Will there be feast or famine? What's going to happen to food and water? Right now, there's a current deficit of twenty-five million tons a year and by most projections that's going to triple in ten years. We're going to have famines in some countries. We're going to have to import their food. Notice that there are very few countries with surplus food. (A new slide was shown.)

Now, let's look at technology. The world could feed three times its current population. There'll be some water shortage, there'll be need for water management, but we have the land and we have the fertilizer. But to do this we need technology transfer and we need economic transfer. We have to program it. We cannot produce and export all the world's food. The transportation system can't be large enough. Food has to be grown locally. Farmers have to be brought in, mechanization has to be brought in. To do that, you need to transfer technical know-how to the agricultural sectors. We need economic organization and transportation.

Does anybody see this occurring as a world wide system? Do you see us working on this? Do you see the countries of the world working towards local agricultural development and local transportation development? How many see this? How many don't see this occurring in a meaningful sense? So we will have famines, we will have starvation, but the point is, do we have to have it, and with current knowledge? The answer is no. (A new slide was shown.)

We hear about raw material shortages and frequently read projections on this. Actually, if we start looking at projected consumption, the current rates and raw materials, there are no real raw material shortages that can't be overcome by substitution. There are problems in terms of location and secure supplies. We find that, for example, we have more than a hundred years supply of magnesium and phosphorus, more than ten or fifteen years supply of mercury, silver, and many other metals.

So, what we need to do is to have advanced kinds of scientific research on substitution. We have to look at our materials and make sure that we have assured supplies. (A new slide was shown.)

Energy is another major concern. We are not running out of energy; we are running out of existing sources of cheap energy. When we review various studies on U.S. production facilities, we find that we consume much more energy per unit of production, for various types of production, than does Europe. Our habits as an energy consuming nation developed because energy was cheap. Now, we have to learn how to conserve; we have to redesign, we have to have research and development. We have to bring new sources on-line. To do all this, we need capital investment and we need to develop safe means to transfer and store energy supplies. At Hughes Aircraft, in Malibu, we're working on safe means to transfer and store energy. Again, I ask how many feel that we have a national energy plan? How many feel that we're working on a cohesive program for conservation? For new sources? How many feel that the next energy crisis will find us basically unprepared? Okay.

Now I'd like to go back to one of my early charts and talk about free world stresses. (A previous slide was shown.)

As a society we have a limited stress budget. We can survive some of these stresses IF, and I emphasize IF, if we moderate the various stresses. If we work on our problems, then we have a greater chance of surviving as a democracy and as a nation. If we don't, I predict that we will come in for some very difficult times. Unfortunately, people with slogans and charisma often appear better to the public than people dedicated to identifying and solving problems. Now, I have another question to ask you. How many feel that the stresses I have identified are real? How many feel that we will have resolved national leadership to work on them?

I'd like to leave you with a message of concern: It is extremely difficult to get these problems worked on. Our social



system and our political system tend to focus on short-run problems and immediate concerns. We focus on energy when there are long lines at gas stations. We focus on food when the price of wheat goes up. But, if we don't focus on and work these problems, we face a future which will be much less desirable than it could have been.

Thank you very much.

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Questions and Answers  
Following Mr. Laitin's Speech

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M. B. Kahn, Tracor: I didn't see any projection of the Soviet penetration in South America. Do you see any of that?

Mr. Laitin: The answer is yes. I have a whole set of Vu-graphs of trouble spots and potential trouble spots. South America is a continent with rapidly expanding population. Any time that population expands and communications increase, people become more aware of the gaps between what they have and what other people have. Thus, I see Latin America being a troubled area in terms of population growth, lagging economic development and an increasing awareness of gaps. You can expect local Communist parties and the Soviet Union will be trying to exploit these problems.

Victor Seyen, DCASR - Dallas: I have read one of the two books which you recommended and I deduced from my reading that the Soviet Union is facing tremendous problems. So, if we're facing problems and the Soviets are facing problems, isn't there a balance of problems?

Mr. Laitin: Let's look at the relative situations. If you had to wait in gas lines as a way of life, what would your personal reaction be? You know what it was during the last crisis. On the other hand, the Soviet consumer is used to waiting in lines. He spends a major part of his day shopping from place to place. He's used to the problems of

consumer goods not coming. So when we talk about problems in the Soviet Union, the question becomes what is the Soviet citizen's reaction to his problems and to his society for having them? Most of the Soviets feel that their life has been improving. Their international status has been improving. There tends to be a strong residual patriotism which the Soviet government is exploiting. As you notice here, in spite of recent movies, World War II is very remote. But as you know from these books, World War II is still very real to the average Soviet citizen. The Soviet Union is still emphasizing the external threat that the Soviet Union faced in World War II. In summary, I think that you'll find that a good part of their problems just have a different and lesser effect on their society structure than the equivalent problem would have on our society in the United States.

Mr. Seyen: But with reference to the internal dissidents activity and to troubles externally, also of the socialism syndrome and the food shortages which crop up.

Mr. Laitin: The Soviet food shortages have never been mentioned in any great extent in the Soviet press and the Soviets are used to waiting in long lines for food and consumer goods. But again, going back to the dissident problem, the Soviets have discovered in the past that every time they loosed the leash on their society, dissent was encouraged. After every relaxation they tend to tighten up again.

Let's look at the U.S. from the Soviet view. If they read the U.S. press during the Viet Nam war they would have assumed that the U.S. was on the brink of a dissident revolution. Remember there were riots in New York, riots in Berkeley, riots at the Chicago convention.

Now, the Soviets have not had that severe a problem internally. They have had some worker riots in Poland, some worker riots in East Germany. So if you ask, what is the relationship of their dissidents to their total population?; how much

effect do they have on the Soviet society structure? The fact is that they have fewer dissents and they have smaller impact than ours. The Soviets have found the worst punishment for their dissidents is to exile them to the West. No matter how much a person is a dissident, the last thing he wants to do is leave the Soviet Union. There's a very strong emotional attachment to the Motherland. So I feel that the West tends to magnify the number and impact of Soviet dissidents.

Joe Ryan, Aerospace Corporation:  
Aren't there some long term factors in the Soviet economy and in their philosophy that may tend to lessen their sense of adventurism? I'm thinking of such things as the fact that the managerial class has expanded, so you have more and more people who may tend to be independent. You have a perennial food shortage or shortage in grain. They tend to have poor internal transportation. These are factors, and others that you may know about, such that they could over the long term, like maybe the next generation, lessen their sense of adventurism?

Mr. Laitin: My feeling is that the Soviets are Soviets first and Communists second, while the Chinese are Communists first and Chinese, second. At one time, the driving idea of the Soviets was world revolution, even if it meant the destruction of the Soviet Union. The Chinese Communists' leadership still has this goal. If they could have World Communism, many of them would be willing to see six hundred million Chinese dead. I agree that what you have pointed out is a moderating influence on the Soviets which helps to keep them conservative. But under the Soviet theory of bargaining, it's a criminal sin to let someone else take the initiative. It's a criminal sin to be forced into a position where you have to react to the other party's lead. So I think that the idea of applying constant pressure and the idea of conservatism are not antagonistic to each other.

Eugene Klein, SAMSO/USAF: In the area of food and water shortage, do you see any bright spots in the oceans and are there any tendencies between the Soviet Union and the United States in this area?

Mr. Laitin: In terms of water, I think the desalting by osmosis has a lot of promise. If I were to put money on research, I'd put some on water. One of the problems we have is that whenever one does a current cost study analysis, most of these things look prohibitively expensive. Thus, we tend not to pursue them. But, we also find that once we find a way to technically solve a given problem, we also find ways to do it cheaper. One current example is the pocket calculators.

Is anyone here from JPL? About fifteen years ago some of my well-known friends at JPL, as a lark, tried to design a calculator. We did a very intensive design job. When we finished, we discovered that our parts list was more expensive than the price that the Japanese were already selling it for. Since that day, all of us have bought these little pocket calculators. They are now selling for ten to fifty dollars for the same power that I paid a thousand dollars for in 1960. With inflation, we have four or five thousand dollars worth of computerizing that I can hold in the palm of my hand. These devices were inconceivable to people in the industry a few short years ago. If you look now you'll see that all the trends were there, but we had no conception how rapidly things would occur. I think that, if we pursue other areas, in many of them we will also achieve miraculous results. If we say, "We can't solve it, it's too difficult or it's too costly," we won't solve it. Water is one of the areas where I think we can and should devote resources. I think the ocean desalting offers vast potential. Also the oceans have a lot of unrecognized potential, yet the amount of our research budget going into the oceans is very trivial.

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 FOOTNOTES
 

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by

 Mr. Donald B. Woodbridge  
 KMS Fusion, Inc.
 

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I'm just as sorry as you are that Phil Kerby can't make it today. I can listen to myself talk any time. I hope you are aware of what a remarkable Program Chairman we have in Dick Butala. I never saw a man so beset by the slings and arrows of outrageous fortune remain so unruffled. His luck has held up pretty well until this moment. I'm a lazy man. I find it a great chore to sit down and put words on paper, but if I don't put words on paper, I'm apt to ramble. I have admired the fluency and the ease with which the two previous speakers here have given their speeches. I wish I could emulate their performances.

I drove a hard bargain with Dick. I gave him a choice. He could have a high-powered discourse on laser fusion with a slide show and a penetrating analysis of the extraordinary possibilities of laser fusion, or he could let me rework the remarks I made on an earlier occasion under the title of, "A View from the Sidelines." You can see that Dick was really hard put. He was tempted for a while by the notion of laser fusion, but then he remembered, of course, what happened two years ago when I tried to put on a slide show, and he also recalled the devastating effect of putting out the lights after lunch. And so his caution took over and he gave me the easier choice. I find as I look over those earlier remarks, that they have quite a good deal of relevance to things that have been said during this Seminar, and so I have given the whole thing a new title. It now is called, "Footnotes." And my first footnote is a note to Captain Cormier's talk. After listening to the account of the spelling bee, I felt impelled to tell those of you who have not heard it before a story that is attributed to John Erskin, a professor at Columbia University back in my father's day. It seems there was a very beautiful young

lady at a dinner party in a spectacular decollete. And the evening was a little cool. Maybe it was somewhat like San Diego weather at the time and she felt a sneeze and cough coming on and started looking for her handkerchief in the only place a handkerchief could hide. Suddenly she became aware that a hush had descended upon the dinner party and looked up to find all eyes gazing on her, fascinated. Blushing prettily (back then women could still blush), she explained, "You know I was sure I had two when I came."

Information is power and controlling information is a tool of power, and the ability to control information is a sign of power. And those who are able to relieve the press and store information can manipulate the rest of us. In the information game, most of us sit on the sidelines, watching with mixed dismay, amusement, and cynicism. I think we have lost any illusions. Of late, the game has taken on the aspect of a choreographic display. The Wall Street Journal calls it the leak ballet, referring to the news leaks recently staged by Secretary Kissinger, Representative Otis Pike, CBS Newman Daniel Schorr and the heads of various Middle Eastern governments. You remember how the secret hearings of the House Committee on Intelligence wound up in, of all places, the Village Voice. That choice of a place to leak seems to have been a tactical error for Mr. Schorr, since, according to some reports, CBS suspended Daniel, not because he leaked, but because the Village Voice was a bit too far to the left even for the CBS image. Of course, Mr. Schorr waxed righteously indignant about the Washington Post's failure to play the game when they exposed him as the Village Voice source.

Not surprisingly, there followed, perhaps as a diversionary tactic, leaks from the Executive Branch in the form of quotes from Mr. Kissinger's Middle Eastern conversations. Though Dr. Kissinger voiced his disapproval in ritual fashion and the official spokesman for the State Department promised discipline for the culprit responsible for permitting unauthorized access to state secrets, nevertheless since the leaks were selected to



adorn a context flattering to Dr. Kissinger, probably no heads will roll.

The Wall Street Journal remarks that Secretary Kissinger had developed the leak to a new art. "His genius was to leak so often and so openly it became accepted behavior." By now, when he gives the press secret information to build public support for his case, it is a routine "backgrounder." When his bureaucratic opponents reply, it is a "leak."

The editorial suggests somewhat cynically, that leaks are hard to dispense within a democratic form of government. Because classification is so pervasive, leaks serve an important function in making information on such matters as arms negotiations and abuses in the CIA available for formal public debate. And, of course, the debate profits if leaks come equally from both sides. But such a neat ballet of thrust and response can retain its precarious balance only if guided by a single choreographer, and it is at once the glory and frustration of our democracy that we will not tolerate a single choreographer to arrange the pattern of our lives--at least not yet.

It is really an outrageous suggestion, but it epitomizes today's situation, and I dare say that is why it was made. If presumably responsible people high in government can leak classified information without endangering national security, beyond rejoicing the hearts of our enemies and leaving our friends to wonder whether we can be trusted, the question naturally arises, why was it classified? The usual answer is that, at the moment of truth, the nation is better served, in spite of the risks, by having the facts revealed so that truth can conquer error and the people can be saved from false prophets.

Dr. Morton Halperin in his testimony before the Muskie Committee two years ago, proposed what might be called inverse classification. Dr. Halperin has had extensive experience in the Executive Branch of government as Deputy Assistant Secretary

of Defense and as senior staff member with the National Security Council. At the time of his testimony, he was Research Director for the Twentieth Century Fund Study of Information, National Security and Constitutional Procedures, and he was a favorite witness at such hearings. Of course, he did not get as much exposure as people like Joe Liebling and David Cooke, but the committees liked him better. Back to inverse classification.

Dr. Halperin proposed that any law providing a statutory basis for classification should describe and list certain categories of information that would be unlawful to classify. In these categories, the law, he said, should impose an affirmative obligation to make information public and impose sanctions for failure to do so. Concealment would become a crime. Among the suggested categories were "American troops and operations, commitments to employ American forces, use of American combat advisors, and the U.S. financing of combat operations."

At the time he proposed this inverse classification, Dr. Halperin was not looking specifically for a cure for leaks. "The ship of state was not at that time so leaky as it was today." He was concerned with the inveterate tendency of bureaucracy not to reveal information unless it has to, or unless the release will further some project or plan, or strengthen some position. He was concerned with information control as a tool of power. Inverse classification with mandatory disclosure is a tempting concept, and a Congress provoked by a chaotic counterpoint of leaks and concealment might try to put the concept into law. I venture to predict, however, that the task of trying to draft a workable statute would drive the cognizant committee back to the relatively simple problems of direct classification. We would have a new phenomenon--the anti-leak. For every office holder, committeeman, and law giver who today claims that an aroused conscience compelled him to tell all to Jack Anderson or the Village Voice, we would see a counterpart tomorrow who

insisted that his overriding concern for the safety of our country compelled him to keep his lips sealed. And, it is much harder to prosecute a man for keeping his mouth shut than for spilling the beans. Anti-leaks would be as elusive as the anti matter physicists talk about.

Are things improving? Viewing from the sidelines, I'd say they are. I am impressed by the work on classification guides, particularly in Frank Larsen's shop, which I hear the most about for obvious reasons. I even began to look forward to the day when inadequacies of DD-254 will cease to be a recurring theme at every seminar and workshop. Having guides that are thorough, intelligible, complete, up to the minute and accessible, prepared by the most knowledgeable people and with headquarter's approval, is of fundamental importance for new programs, for current programs, and for phasing out the old. Frank's thesis that a rational downgrading and declassification program must begin with the guides reaches to the heart of the problem. With guides kept current and a computer to do the drudgery, we are in a position to free our practice from the blind domination of automatic downgrading and do it without the often dubious and devious device of seeking exemption, a device used more and more, I understand, as an escape, but an escape from one irrationality to another.

But good guidance is not easy to come by. I know, because I have spent many long hours myself preparing guidance and shooting holes in other guides. Which brings me to a related theme: the importance of fostering and maintaining a high level of intellectual and technical competence in classification managers. From my bench on the sidelines, I view with dismay what I consider an increasing tendency to emphasize the word "security" at the expense of the word "classification." Of course, security is what we're after, and we justify classification management because, in the words of last year's seminar theme at NCMS, "Classification is the cornerstone of national security." It's interesting to see that now classification

is a bridge to national security. It goes to show you how personal we are. Well, I'm apprehensive lest the emphasis on security--an all encompassing word--obscure the special quality and rank of classification management as a profession in its own right. I do not want to see the bright glow and polish of that cornerstone overgrown with thickening ivy as the edifice with all its other building blocks grows old. And, I am sure, as long as we have such able experts as those we have been privileged to hear on this program, we don't have to worry about gathering moss, either on the cornerstone or the bridge.

As I look on from the sidelines, I observe that the views about classification and its evils are swayed by the particular passions of contending partisans. Those in the business of identifying and protecting information tend to be conservative, otherwise they would be doing something else. So, they cut their hair short, most of them. A few of them occasionally put on a beard. But they are emotionally and intellectually disposed to defend the system, although they do not deny its faults. They are outraged by the Ellsbergs, the Harringtons, and the Schorrs. Some of them like me, although in principle, I am all for open government and the fullest possible release of information, I find I can't get very excited about depriving the public of the relatively small amount of official information held behind three-number combination locks and the even smaller fraction of misclassified information in spite of the miles of file space they consume. The men and women who make up the public will seldom know what to make of such information when and if it reaches them, shaped and molded by the various media through which it passes after emerging from obscurity. Arthur Schlesinger, the noted historian and no friend of secrecy, stated at the Muskie Hearings: "As far as the major information required for intelligent decision on foreign policy is concerned, ninety-nine percent of this is in the public domain. An intelligent, careful reader of the New York Times, or the Washington Post has most of the information he needs to make a sober



judgment on the large issues of foreign affairs. I have always felt that in the Kennedy Administration, we would have been much better off if we had been confined to reading the press on the question of Indo China and never read a top secret cable from Saigon. As it turned out, the press was much more accurate on the developments in Viet Nam than our men in Saigon."

Mostly people who want information declassified want it for their own purposes, which may or may not benefit the public. They want to write a book or they want to uncover dirt about present and past administrations or they want to rewrite history. They should have their way as far as possible, but it is well to remember that they are using information for power.

It is interesting to observe that those who speak loudest about the people's right to know, the people's need to know, and the evils of classification are generally those who feel that people are not smart enough to take care of themselves. Those who speak loudest about freedom of information as the bulwark of democracy are mostly those seeking to create an all-powerful, all-knowing government machine to regulate our lives and do our thinking for us. That, of course, does not make freedom of information any less vital to our survival as a democracy, but it leaves us to wonder about motives and the general irrationality of the human mind.

In this connection, I am reminded of a session of another hearing in the summer of 1974, at which Bella Abzug filled in for the absent chairman. She remarked that, "...the country is being tested at this point and one of the biggest tests right now is how much we can open institutions to people and make them feel that they are sovereign..." She did not say open up so that people can exercise their sovereignty. Congressmen who can make people feel that they are sovereign, even though they are not, usually get re-elected. Perhaps I read too much into Bella's exceptional way with words. Going over the transcript of her give-and-take with witnesses at the hearing is an

invigorating exercise. It must have been even more invigorating to be there in person. Let me quote my favorite Abzug von der Abzug, if you pardon a pun in German. She is addressing Mr. David Cooke, Deputy Assistant Secretary Administration.

"Well, I do appreciate the fact that you feel that your track record and that of Mr. Liebling is good, but life has many changes in it, you know. We are not dealing in personalities. We are dealing in principles and policies. So you and Mr. Liebling may not be here tomorrow and somebody else might be. It is the matter of policy that I am trying to address myself to. I am not trying to sound onerous or anything else. I am just talking about life as we know it."

Life as we know it. That's where our problems are. We all find ourselves wishing now and then that life were different--not the life we know and have to deal with. If life were different, we might see Dr. Kissinger and Representative Pike arm in arm, trusting each other, keeping each other's secrets or agreeing to release them. A pas de deux instead of a leak ballet. If life were different we might see the bonds of trust renewed between the Administration and the Congress and within the Administration itself. We might see the open presidency we yearn for. We have problems that only a life other than the life we know will solve. No system and no law will solve them.

Will things be different? I am encouraged to believe they will in spite of Frank's expectations for the post-election scene. The fervor and furor, the hue and cry over classification abuses seems to have abated a bit. This may be due in part to the spectacle of a Congress unable to protect even its own information and careless of the consequences. It may be due to a change in mood sweeping the nation and to a recognition that there are more urgent crises demanding the attention of our law makers. It may even be that E.O. 11652 is working.

On Tuesday, Bob Donovan took us to task because in his ears the music of the Seminar was like the sound of a cracked



record. He recalled that the occasion of our first seminar was marked by the successful orbiting of Mariner 4. In 1969 we attained a giant step for mankind on the moon, and now by extension of the human mind, we have landed on Mars. And all the while we talk about DD-254's. But Bob knows as well as anyone, that the man-on-the-moon syndrome--evoking that marvelous technological achievement as a reproach for all sorts of failures and deficiencies--provides no usable yardstick. To evoke in this way our man on the moon, our Viking on Mars, is to utter a cry of lamentation over the paradoxes of human nature with the most dramatic imagery our world affords. But it is a jeremiad, not a progress chart. There is no chart on which you can plot both the progress of technology and the course of human nature. They are not commensurable. The one is an exponential function of time; the other remains, you might say, heolithic--if not paleolithic. The problems we deal with have their roots in human nature and are exacerbated--intensified--by technology. I have in mind not only the cruelties, the terrors, and the wars that are the product of human nature, I have in mind the individual qualities and characters and actions of men and women that raise up barriers and prevent a meeting of minds, that stand in the way of working together, that destroy trust and confidence. This is the world as we know it.

Human beings have discovered that they can counteract the weaknesses of human nature by banding together for a common purpose. A notable example that comes inevitably to mind at this time is that remarkable band of men gathered together in Philadelphia two hundred years ago. Now to what extent the remarkable band of men and women known as the National Classification Management Society can counteract

the weaknesses of human nature, particularly their own, remains to be seen. Despite the sense of *deja vue* that haunts Bob Donovan and others of us as we return to these seminars, there is undoubted progress. But, if we are to keep alive the sense of common purpose and to continue to enjoy the commingling of spirit that finds such happy expression under the tent out there on the terrace, we have to work at it. Art Van Cook exhorted us as a Society, "Ask not what the Department can do for you," and in turn NCMS exhorts each member, "Ask not what the Society can do for you." A society of two hundred and twenty members is not a society that you join so that you can sit back and wait for benefits. It is a society you join to become one of a select few--call it an elite if you will--who, if they exercise their potential, can do great things to counteract the weaknesses of human nature and affect the course of human events. But again I say, it's not easy. We have to work at it.

I remember, as the first seminar drew to a close back there in the elegant quarters of the State Department, remarking that we were brushed by the wings of history. It was Bastille Day and Mariner was sending back pictures from its orbit around Mars. Again, it was a paradox--a paradox of incommensurables. Once more we are brushed by the wings of history. There's our Viking lander exploring our neighboring planet, sending back signs across millions of miles and showing us that, even on Mars, it's not much different from the world as we know it. I look on this triumphant achievement not as a reproach, not even as a challenge, but as an inspiration.

Thank you.

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# NCMS GOALS FOR 1977

by

Dean C. Richardson, Incoming President

22 July 1976

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On the first meeting day, NCMS was challenged to do something and stop talking about the same old things. Yesterday, Jim Mathena and Marilyn Griffin told us in a very positive way that although we have helped them a little we haven't helped them significantly the way a professional society should and issued us--NCMS--a challenge. I can assure you that the Board of Directors has listened--to what hasn't been said as well as what has been said.

We are broadening our base--recognizing that Classification Management involves a lot more activity and responsibility than making classification determinations and subsequent markings. Our activity involves the cost effective management of information and material. If we, as professionals, are to contribute to the success of our organizations, we must develop and employ management techniques that maximize people and asset effectiveness!!! This society must help you and me in this endeavor.

To do this, we have to get some help from you. What do you expect from this professional society? What can you contribute?

Analyze your costs for handling classified material.

We need suggestions for solving the Classification Management training problems.

Send us your NOTES or questions for the CM NOTES.

Send your suggestions for inclusion into the "Guide for Writing and Applying Security Classification," the manual we are going to put out.

## Goals for 1976-77

- Publish Anniversary Journal.
- Publish the Seminar papers and significant portions of the informal discussions AS SOON AS POSSIBLE!
- Issue "How To" manuals and papers.
- Expand our horizons to include more aspects of the Information Security Program.
- Hold Regional Workshops and concentrate on Workshops at the National Seminar with much more audience participation.

As Jack said, we are going to Washington in May 1977 unless we hear from YOU!

Presentation to the ICRC Symposium 12/1/76  
by the  
National Classification Management Society  
INFORMATION SECURITY/CLASSIFICATION  
MANAGEMENT  
CAREER FIELD - STATUS -  
CHALLENGES - FUTURE

Presented by  
Dean C. Richardson

The National Classification Management Society is a professional society with members distributed in government and industry in positions high and low. As a professional Society a primary purpose is to enhance the interface between industry and government, in order to develop cost effective policies for the management of classified material associated with U. S. and foreign government contracts, and with independent research and development activity.

A profile of our membership shows that 78% report to or are members of the security organization; 90% make over \$15,000 per year, and of this group 32% make \$20,000 to \$25,000; and 22% make over \$25,000. 70% are over 45 years old; 38% hold Bachelor degrees and 11% Masters degrees. 31% have attended various Armed Forces institutions. Membership is 40% government and 60% industry including academic institutions.

How do we interface with the Legislative and Executive Branches of Government?  
Our Society is dedicated to enhancing the background information of Legislators, Cabinet members, and senior civil servants who are in decision making positions. We are doing this by direct comments on proposed legislation, by testifying before Congressional Committees, and by directing written comments on proposed legislation, by testifying before Congressional Committees, and by directing written comments on proposed changes in the Industrial Security Program, to the OASD(SP).

In 1972 we testified before the House Armed Services Committee and dealt

directly with the Staff aids on technical matters concerning classification and protection of information.

During the period 1972 through 1974 we met with and submitted papers to the staff of the Moorhead Committee looking into the classification system and with the Muskie Committee concerning a legislative base.

In addition, several of our officers have individually responded to various Congressional Committees concerning matters affecting the Information Security Program.

In 1972 immediately following the signing of EO11652, we established liaison with the first Executive Director, ICRC, David Young, and have continued this candid liaison association ever since.

We interface directly with the OASD(SP) and with the Directorate, Industrial Security of the Defense Supply Agency, when we perceive proposed changes directly affecting the Information Security Program.

In March 1976 we responded to General Scowcroft, Assistant to the President for National Security Affairs, concerning proposed changes to EO11652.

Why is the CM program vital and what have we done to encourage training? First of all, it is only the trained professional who can truly perform. Moreover, we are interested in the CM program because it is a cost effective program - probably the only security related function you can put on a profit and loss basis. Most companies with large volume classified contracts can show a cost avoidance dollar figure to pay for the entire security overhead cost, and this is reflected in lower product costs to the defense effort. Unhappily, many procuring offices and many companies accept a vague security guide and overclassify to be sure they don't get into trouble. It's then left to the contractor to screen out the anomalies and overclassification, which doesn't always occur because he may not have the talent on his staff or the time to bother. After all, the Government,



as the ultimate customer, is paying for security.

The trouble with that rationale is that money spent to protect something that should not be classified could be used instead to develop a better weapon or counter-measure, or reduce present costs.

We try to combat this form of apathy by conducting real-world, real-problem workshops during our National and Regional Seminars and by participating in government meetings such as this one. We hope to motivate people to make intelligent decisions concerning the Information Security Program and classification requirements - and not just accept what has happened in the past. By creating a medium where candid exchanges between the policy maker and the user can occur, we hope to install confidence in both the industry types and government specialists and encourage them to question decisions made from the headquarters level. We hope to do away with the attitude by government procuring offices that, "This is what headquarters says and we can't do anything about it," and to instill in the heart of every information security and classification specialist that he or she is THE decision maker and nobody else is there to make the decision concerning a particular procurement. The buck stops here!

If you are successful, you can achieve some very worthwhile results. Let me cite a few examples -

Costs for classified storage have risen dramatically over the past five years - no less dramatically than the cost of food and everything else. Stop and figure out the amount you spend to store your documents. As some of you may recall, in 1965 and 1966, cost surveys conducted by industry and by the Department of the Army estimated that it cost \$2.11 to store a Confidential document of standard size for one year, \$6.09 for a Secret document, and \$6.56 for a Top Secret document. Now, multiply those figures by the building inflation indices - 212% over costs in 1965!

In 1965, the U.S. Army Material Command conducted an in-depth audit at a cost of \$200,000 and ended up eliminating 8,000 linear feet of classified documents - which totaled approximately half a million documents for a potential cost avoidance of over 1.5 million dollars. Now that's a real savings!

What have we done about establishing a career field? In June of 1975, after 20 months in preparation by an NCMS committee chaired by Jim Bagley, a Past President of the NCMS and at that time the NRL Security Director, submitted to the Chairman of the Civil Service Commission an analysis of Civil Service Commission Position Standards relating to the classification of information. This paper was carefully drafted within the required format for the establishment of a position and was titled "Classification Management Position Standards." It is interesting to note that, aside from the obvious advantages such a position would provide, it was generated at the request of the majority of the NCMS members who, during a nationwide survey conducted in 1973, indicated that the lack of accepted position standards was a major problem with the program and one that should be corrected as soon as possible.

In August of this year, the Civil Service Commission reviewed the request again and advised us that the Security Administration Series - commonly known as the 080 Series - provides a place for the CM specialist to hang his hat. The Society says, "not so!" The situation now is as follows:

a. In our opinion the existing Civil Service standards do not cover the qualifications, duties and responsibilities of personnel who are responsible for classifying and downgrading National Security information, or who manage programs which include responsibilities for classifying, downgrading and ultimately releasing the information to the public.

b. The Freedom of Information Act reaffirmed the principle that the interests

of the United States and its citizens are best served by making the maximum amount of information available; it established only nine categories of information which may be withheld, and it provided procedures by which an individual could apply to the Federal courts for redress when information sought was denied. The net effect of the FOI Act, as amended, and of Executive Order 11652 is to make classification authorities personally accountable and personally responsible for their actions and subject to administrative or judicial action if they unnecessarily classify or overclassify information. These actions make it mandatory to establish position standards which:

- (1) recognize the stature that individuals who occupy such positions must have;
- (2) establish a career ladder from trainee through executive; and
- (3) recognize the interaction between these positions and other related positions for which standards now exist.

Is there a career position anywhere?

Yes, there is a need and a position in industry in firms with large volume classified contracts, the level of effort commensurate with the volume of classified programs. The position is broad based – covering everything from the specialist/analyst to the entire Industrial Security Program, excluding criminal investigations and direct physical security.

This position – both in industry and in government – must be staffed by a professional who must be aware of:

- Education and training requirements;
- The state-of-the-art, foreign and domestic;
- The affect on international agreements;
- The government and industry contractual policies and procedures;
- The overhead costs of security;

- The system protectability . . . can classification protect critical information?
- And the export control and International Traffic in Arms regulations.

These requirements in various degrees must be tools of the trade for the professional representing or preparing recommendations for the original classifying authority, the implementing agency, the user agency, and the procuring activity as well as the industrial complex that must design, engineer and manufacture the hardware and/or software.

What are the various approaches?

- The Government approach: Each agency has a headquarters administration chartered to develop agency classification guides for procurement elements to follow when preparing security classification specifications (DD 254s).

- OASD has a central office – Art Van Van Cook and Company – for policy formation and to review conflicts and create an environment for interagency resolution or joint action.

- The DSA, now DLA, specifically Directorate for Industrial Security, has established a headquarters position and regional positions to review DD 254s and to interface between contractors and procuring agencies for resolution of problems that direct liaison cannot resolve.

- The Defense Industrial Security Institute has developed classroom courses in classification management for government employees and industry.

- What is Industry's approach? I've already covered this partially, but in summary, it is on-the-job training with heavy emphasis on technology orientation. People often move from this job to higher company positions in related fields, but in some firms this is recognized as a key based on the contribution potential to contract performance.

● The ERDA approach: The AEC, of course, was famous for the "born classified" concept, and I believe from what Jill Ellman said this morning that ERDA no longer rigidly follows this tradition. But it is another aspect of the AEC approach that I want to emphasize – the AEC emphasis on the technical competence in its classification people. In this and now the ERDA complex, classification analysts are expected to have a scientific degree whether they work directly for the government or for a National Laboratory or for a prime contractor. They are expected not only to carry out routine classification management but also to contribute positively and constructively to establishing classification guidance and its administration. ERDA counts heavily on this expertise and calls upon it regularly. Expertise reaches a pinnacle in the prestigious Committee of Senior Reviewers that Jill Ellman mentioned, made up of high level scientists, especially knowledgeable in the ERDA programs. Incidentally, the NCMS was the brainchild of a small group of scientists working on AEC projects, one of whom is here today – Don Woodbridge, the NCMS Counselor.

What is the recommended approach? I'll cover that when I discuss the future in just a few moments.

The status today. I think I've pretty well laid out for you the status as we see it:

- During the past 13 years, industry and certain government offices have moved toward improving the program;
- Improvements have been noted;
- Positions have been created at the Administrator level in certain headquarters, but unfortunately, in many of the major procuring agencies the Classification Manager is either a collateral job or is a go-between for the agency engineering department and the contractor, without decision authority or unwilling to assume decision authority. Too many "classifiers" are without the educational equipment, motivation or authority to perform this function.

Well then, what are the challenges?

Classification determinations are based on many factors – defense, foreign policy, economic, political and technical. Each classification action is a delicate balance between the right-to-know and the need-to-know. Classification actions are time-limited. Too long is costly in terms of protection and storage costs and sometimes limits access to the information. Too short may cause the premature release of vital information which could permit a potential enemy to develop an effective countermeasure.

Also, we must remind ourselves that the ultimate reason for classifying is in the interest of national defense and for policy.

It has often been pointed out that classification is an art as well as a science; it is eclectic; it spans a number of areas, each of which is limited by a classification action. Finally, each action by a classifier is a judgement as to whether a piece of information should be released or protected and, if protected, at what level and for how long. Judgement is difficult to quantify. It is based on knowledge of all the areas affected, experience, and most of all on a common sense and a recognition that the status quo is ever shifting, that technology grows, that world interdependence is a fact of life, and that to protect information unnecessarily may cause greater damage than its release.

There is a future – and it should be bright if the Executive Branch of the government is willing to make it work. A near term and a long term change in approach are needed, and these changes must be dramatic if we expect to meet these challenges mentioned and remove the virus referred to by Dr. Rhoades.

For the near term: Programs now exist within the Department of Defense that foster cross training and understanding of the entire procurement cycle from operational requirements to weapons delivery. One is an Air Force program called Education with Industry, administered through the Air Force Institute of Technology and supported by 60 industrial firms. Individuals



are selected based on adaptability and qualifications and are then assigned to a company for nine months where they receive rotational job assignments within the firm, i. e., logistics, manufacturing, scheduling and material management.

Information Security Management could become part of these programs by expanding them to include an exchange program. Government employees in classification management positions would be assigned to a company and industry information security people to a government position in their related field, classification management.

Within a year, a cadre of professionals would emerge who trust and understand one another and who, above all, would now be aware of the cause and effect of their decisions or lack of decisions.

For the long term - within four years: Establish a position for journeymen at the GS-11/13 level with the following qualifications/credentials:

- Must have a degree, ideally in science.
- Must have a minor in Business, Law or Political Science.

What about trade-offs?

- Heavy experience in contract management or quality control or, if appropriate,
- Heavy experience in foreign technology/intelligence,
- Extensive experience in Information Security.

Ladies and gentlemen, past approaches to the Information Security Management problems have achieved limited success. We must seek a dramatic change in direction. Perhaps the approach I have outlined is more pragmatic than dramatic. I have confidence that a workable approach can be developed with all of us working together toward the same goal.

NCMS is the repository for doctrine know-how and knowledge. This is available in Bulletins, Journals and Position Papers. The Journals are in the Defense Documentation Center; however, a few journals and bulletins are available in the rear of the room.

The future holds great promise, but to achieve the higher standards and performance so desperately needed will require dedication from each of you. Only by your diligent pursuit and aggressive persistence can these high standards be established. Knowing your background, I know you are equal to the task.

THANK YOU.