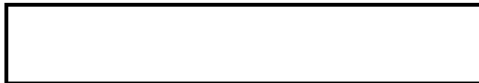


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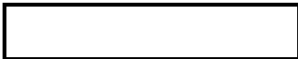
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7 JUL 1982

DDI- 5391-82

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA : Deputy Director for Intelligence
Deputy Director for Operations

FROM : 
Chairman, Ad Hoc Committee to Review Document
Declassification for Rosenthal Committee

SUBJECT : Review of Declassification of Summaries of
17 CIA Documents Prepared by the Staff of
Congressman Rosenthal

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Action Requested:

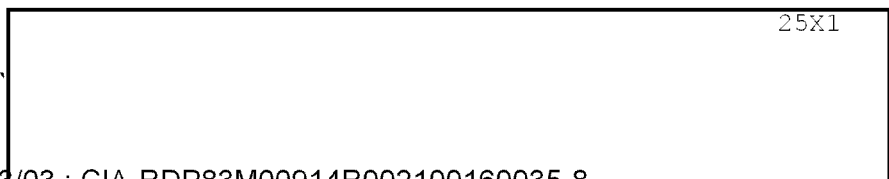
1. We recommend that you approve the release to Congressman Rosenthal of revised summaries of 17 CIA documents to be used in an unclassified report being prepared by Congressman Rosenthal's Subcommittee, and sign the attached transmittal letter to Representative Rosenthal (Attachment A).

Background:

2. On 11 February 1982, you sent sanitized versions of 17 CIA documents that analyzed Arab investments and petro-dollar recycling to Congressman Benjamin S. Rosenthal, Chairman of the Subcommittee on Commerce, Consumer and Monetary Affairs of the House Committee on Government Operations. These documents were then published as an appendix to the transcript of the Subcommittee hearings that had been held on 22-23 September 1981. On 6 May 1982, the Subcommittee passed a resolution authorizing the Subcommittee to prepare declassified summaries of substantial portions of the CIA documents to be used by the Subcommittee in a report on foreign investments in the United States. Before the Subcommittee can unilaterally declassify the documents, the resolution must be passed by the full Committee and by a majority of the House of Representatives. On 2 June, the Subcommittee forwarded to our Office of Legislative Liaison its summaries of the 17 documents.

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3. The Committee implied that the summaries were for our review and comments but not for the CIA to determine their classification. Nonetheless, our analysts and my Committee, reviewed the documents to determine which sections were drawn from classified information. The summaries do, in fact, make extensive use of detailed intelligence information that remained classified in the original documents. The documents were reviewed again to determine if the summaries could be further declassified through deletion and redrafting. As a result of that review, and following light editing to improve clarity and accuracy, another set of summaries was produced by CIA analysts. One copy of each set is attached: (1) Attachment B contains summaries prepared by the Subcommittee Staff with sections bracketed in black that came from classified portions of the original documents; and (2) Attachment C contains the amended version of the Subcommittee Staff's summaries prepared by DDI analysts.

4. We believe the DDI revised summaries reflect the Agency's analysis of OPEC investments and petro-dollar recycling problems during the period 1974-80 more clearly than the Subcommittee's summaries without divulging the specific detail of our intelligence capabilities. Release of these summaries as an alternative to the Subcommittee's summaries would minimize damage to our collection and analysis capability. We emphasize, however, that even the release of the more generalized information could be damaging to the Directorate of Operations' ability to collect economic information from both foreign and domestic sources. Specifically, the DO's concerns are:

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5. My Committee recommends, however, that you approve the revised summaries for use by Congressman Rosenthal in preparing his report. It is the Committee's judgment that if we do not make some accommodation to release summaries of these documents, Congressman Rosenthal will persist in his efforts to gain approval by the full House Committee and ultimately the full House to prepare his own summaries. Even if the attempt is unsuccessful, more damage could result from focusing attention on our intelligence interests over a prolonged period of months than if this set of summaries is published and the matter dispensed with once and for all. If you approve, we will return the revised summaries (Attachment C) to the Subcommittee Staff as our alternative proposal for unclassified summaries of the CIA papers.

6. It is possible that the Subcommittee may not accept our summaries and we may not be able to reach an agreement on the release of a set of unclassified summaries that does not endanger our intelligence sources and methods or disrupt US foreign policy objectives. My view is that we should draw the line at this point and aggressively challenge, through legislative and/or legal means, any further attempts to erode our position.

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Attachments:
As Stated

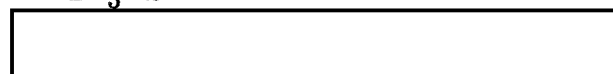
APPROVED: W. William J. Casey
Director of Central Intelligence

DISAPPROVED: _____
Director of Central Intelligence

DATE: 12 JUL 1982

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SUBJECT: Review of Declassification of Summaries of
17 CIA Documents Prepared by the Staff of
Congressman Rosenthal

Distribution:

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DC/EID/EUR (7Jul82)

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