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12 February 1982

NOTE FOR: JWD

FROM: RJK

SUBJECT: Rosenthal Declassification Package Status

1. Today, [redacted] and I delivered the Director's 11 February letter to Chairman Benjamin Rosenthal (D., NY) of the Subcommittee on Commerce, Consumer, and Monetary Affairs, House Government Operations. Attached to the letter were the results of the declassification review by senior Agency officers of 17 Agency documents relating to OPEC investment in the U.S. 25X1

2. Peter Barash, Staff Director, accepted the package in the absence of Steve McSpadden who has been the staffer involved with us. Barash explained that the Subcommittee has found that the Agency information on OPEC investment in the U.S. is most useful because it presents an honest and balanced view not otherwise available. He said that the public has a right to know the information. He does not think that our general concern about protecting sources and methods justify the continued classification. We told him that Mr. McSpadden visited Headquarters so that our people could provide a detailed justification, but Mr. McSpadden refused to participate because we would not agree to a mass declassification at the same time. We provided Barash a hypothetical illustration of how publication of the information by Representative Rosenthal would dry up or jeopardize our sources. We added that our greatest usefulness to Congressional Committees is in providing classified information, not in declassifying information which has a harmful effect upon our sources.

3. Barash seemed reasonable but he didn't appreciate or understand our rationale, nor was he deterred from the Subcommittee's efforts to have more of the information declassified. He referred to the Chairman's letter to the President and his willingness, if necessary, to take the matter to the floor of the House as provided for in the Memorandum of Understanding. As far as the Agency is concerned, he said that if we would have someone--he mentioned Mr. Sporkin--talk with Chairman Rosenthal to give him specific details on the reasons why sources and methods would be damaged that might help to solve our problem. Another option for the Agency would be to provide summaries of the documents we don't want to declassify. In any case, he said that the staff would look at our declassification review results and get back in touch with us.

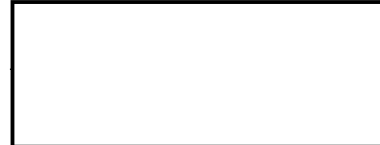
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4. It is clear that this matter is still a live issue with the Subcommittee. Some further initiative is required from the Agency to forestall the possibility that the Subcommittee will take it upon itself to publish the material. I recommend that the Director call Chairman Rosenthal to urge him to accept the results of our final declassification review. If he is not willing to and insists upon publishing the material or asks for further declassification, then we might invite him to Headquarters for a briefing. The Director, with backup by Bob Ames and others, could give him a more specific picture of the damage that publication would have on our sources.



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Attachment

cc OGC
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