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**Trend Criticized**

# Secret Arms Programs Proliferate

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A Soviet observation satellite flies over Los Angeles each day to check out operations at any of half a dozen industrial plants involved in military projects that are the Pentagon's most classified.

"Every day they count the cars in my parking lot," said Ben Rich, a Lockheed Corp. executive who has presided over the production of whole fleets of secret aircraft.

"So, how many cars does Rich have in his Burbank parking lot?" "I can't tell you that. It's secret," he replied.

But the Soviets should already know that Lockheed has as many as 10,000 workers building a new fleet of aircraft that utilize Stealth technology.

### Secret Spy Satellites

Across town, TRW Inc. has 17,000 workers in the Redondo Beach region, largely building secret spy satellites such as the Magnum eavesdropping satellite that was sent up in the space shuttle earlier this year, according to industry sources.

And in Palmdale, an imposing iron structure is rising off the Mojave Desert that will apparently be the final assembly center of the advanced technology bomber, another secret program.

All of these facilities and similar ones throughout the nation are part of an industrial network, almost a separate economy, that serves a rapidly expanding agenda of secret Defense Department programs.

While almost every weapon involves some classified information—the range of a torpedo, for instance—many of these programs are so highly classified that their very existence is not acknowledged. Even in the case of the Stealth bomber, which has been officially disclosed, its costs, quantities and production timetable are top secret.

### Beyond Public Scrutiny

This so-called "black" world of military programs has become nearly a \$30-billion industry—based largely in California—that encompasses tens of thousands of employees working under Pentagon clearances and beyond public scrutiny.

Funding for such secret Pentagon procurement and research has increased sixfold between the last year of the Carter Administration in 1980 and the upcoming Reagan Administration budget for 1986.

And the proportion of the Defense Department budget for procurement and research that is classified has increased to 20% from 10%, according to former Under Secretary of Defense Richard D. DeLauer.

The growth of black programs is part of an even broader trend toward greater secrecy at the Pentagon, which has restricted access to certain key budget documents that previously were open to the public, limited the exchange of academic knowledge in U.S. colleges, and curtailed exports of commercial products on national security grounds.

The Pentagon contends that greater secrecy is necessary to maintain leadership in weapons that rely on advanced technologies in electronics, optics and materials.

With such weapons becoming the norm rather than the exception, the nation is now producing ever more major systems in secret. Among them are an intercontinental nuclear bomber, a tactical jet fighter, a variety of spacecraft and space weapons, cruise missiles, computers, radars and even some tactical missiles.

But the sharp turn toward greater secrecy at the Pentagon, critics say, has important implications for a democracy that depends on public oversight. The Pentagon is seeking to avoid scrutiny, they contend, blocking the public's access to information on programs that probably are no secret to Soviet intelligence.

### Limited Competition

Of direct impact to taxpayers, critics add, black programs are significantly more costly because of staggering security costs and limited business competition.

Concern over such programs has not been limited to traditional Pentagon critics. They include usually staunch defenders of the Pentagon and individuals responsible for major contributions to the nation's weapons technology.

"I believe we have classified too much," said Edward Teller, the scientist who played a key role in developing the hydrogen bomb and a major advocate of President Reagan's "Star Wars" plan. "Secrecy is a measure that hurts our opponents a little and us a great deal."

Teller and other critics worry that increased reliance on secret programs ultimately could prove dangerous to the economy and national security.

### 'Looks Like Absurdity'

"In nuclear weapons, where we had the greatest of secrecy, the Soviets are now ahead of us," Teller said. "In electronics, where we had very little government secrecy, we are way ahead of others, particularly the Soviets. It looks like an absurdity, but who is ahead depends not only what they learn from us but on the speed of our own development."

Scientists and academics argue that economic and technological development in capitalist economies has always depended on the flow of information and the exchange of scientific knowledge.

"It is open communication that tests ideas and exposes the bad ones," said Robert Rosenzweig, president of the Assn. of American Universities, which has fought Pentagon efforts to restrict the exchange of even unclassified information. "It is not the case that

we are smarter than the Russians. Our advantage is in the way we are organized and in our system."

In the case of weapons, secrecy at best creates only a short-term advantage under special circumstances, such as the development of the atomic bomb during World War II, said Rosenzweig. In the long haul, secrecy has never made

one nation stronger than another, he says.

High-technology weapons developed under extraordinary secrecy are also among the most expensive military systems that the nation builds, according to sources who are either involved in the work or who have studied it closely from the outside.

Lockheed Missiles & Space Co. in Sunnyvale, for example, is believed to be building a massive photo reconnaissance satellite called the KH12 at an estimated cost of \$1 billion, making it the most expensive satellite ever, according to John Pike, analyst at the American Federation of Scientists in Washington.

Although an exhaustive analysis of such programs is impossible due to their secrecy, reliable and respected figures in the defense industry say the Pentagon's black programs are far more expensive to operate than more open, or "white," programs.

#### Staggering Costs

The B-1 bomber, which is being produced openly by Rockwell International Corp., would cost twice as much as the current \$200 million per aircraft if it had to be produced in the black, according to Sam Iacobellis, president of Rockwell International Corp.'s North American Aircraft Operations.

There are staggering costs for site security, personnel security clearances and loss of efficiency due to "compartmentalization," a standard policy in secret programs that permits only a few top managers to know all of the details about a product, or even what the product is.

Secret military business is never conducted in ordinary buildings. Black buildings have highly secure rooms, surrounded by walls up to a foot thick that seal in conversations

and cannot be penetrated by sensors. These buildings usually are without windows; if a building has windows, they are made of special glass that is impervious to radio waves.

#### Scrambler Telephones

Special scrambler telephones that transmit signals in code are needed to discuss secrets. Even special sprinkler systems are needed, because regular metal sprinkler systems act as antennas that spies can use to tap into computer and communications systems.

"You see that mailbox two blocks away?" asked one top executive at a defense firm, pointing out an unsecure window. "With the right equipment, I could sit out there and listen to every word we are saying and every word that is being typed into computers in this building."

Employees on black programs require detailed security clearances that can take six months to a year of costly investigation. And while that investigation is being conducted, those employees are on a contractor's payroll, often with unproductive assignments, defense executives say.

Rich, president of Lockheed Advanced Aeronautics Co., said in a recent interview that he fires or transfers an average of 100 em-

ployees each year out of his secret programs as potential security risks. Drug abuse, excessive drinking and even family disputes are the reasons.

Compartmentalization is also a drag on efficiency. The engineer designing a wing part may not have the clearance to exchange ideas with the engineer designing landing gear.

Even the military is compartmentalized and has different lines of authority for managing its white and black programs. The Air Force Space Division in El Segundo, for instance, has two separate organizations, a white one that reports through normal military channels and a black one that has its own two-star general who reports directly to the assistant secretary of the Air Force, according to James Schultz, a former government employee at the division.

#### Awarding of Contracts

Some industry executives say black programs also operate with less competition in the awarding of both prime contracts and subcontracts, thus tending to drive up costs.

"You know how I can get on a black program? I sit around and wait for somebody to call me," said Joseph Caligiuri, Litton Industries Inc. executive vice president and one of the top defense electronics managers in the U.S.

"I think we need black programs, but as a supplier I am bothered by it," Caligiuri said. "There are black programs that I could bid on if I was given the opportunity, but I wasn't."

Defense industry executives are reluctant to publicly criticize the level of secrecy as excessive because of the Pentagon's sensitivity to any level of discussion about such programs. But some executives are clearly opposed to current trends.

#### Democratic Instincts

"Black programs are the military industrial complex at its worst," says a corporate officer of a major Los Angeles defense firm. "All the normal instincts in a democracy—competition and exchange of ideas—just vanish completely."

Such views may be gaining acceptance in Congress, which is increasingly concerned with the loss of public oversight in defense spending.

"As the Pentagon has been given freedom in the last decade to get into these highly classified programs, there has been abuse," said Anthony Battista, a staff member of the House Armed Services Committee who is one of the top congressional experts on the Pentagon. "They are throwing a lot of things under the national security umbrella just to prevent a rigid congressional review and (escape the need) to present budget numbers publicly."

DeLauer, the former defense undersecretary, along with current Pentagon officials, said such criticism is "baloney" because there are designated members of Congress who have access to black programs and keep a close watch on them.

Continued

**'Some Real Donnybrooks'**

But sometimes even the Congress has been unable to bring programs into the open that it believes are improperly kept secret.

"We have had some real donnybrooks over classification," Battista said. "You can't tell me that a tactical missile belongs in the black budget. If that's the case, then the whole Pentagon budget should be classified."

Such battles are themselves conducted in secret sessions of Congress. The Pentagon's own censors go through congressional testimony for such sessions and delete

portions they regard as classified. "There is a tendency to classify testimony that is embarrassing," Battista added.

Members of Congress who criticize the Pentagon often say they are denied full access to defense information. Sen. Charles E. Grassley, who held hearings last year that disclosed a gamut of sloppy Pentagon practices, said he has routinely been denied even unclassified information.

**Public's Right to Know**

"The Pentagon is always classifying much more than needs to be classified," said Grassley, a conservative Iowa Republican. "It violates a basic principle of participatory democracy—that is, the public's right to know."

The battering on procurement issues that the Pentagon and its contractors have taken in Congress in the last several years is seen by many even outside of Congress as tipping the Pentagon scales toward greater secrecy.

Former Defense Secretary Melvin R. Laird said he believes the Pentagon is making some of its programs black to escape the controversy and disruption of critics.

"They shouldn't be doing that. That's not why things should be black. Sometimes there is a tendency to do it," he said.

But Pentagon officials say that black programs are better managed than open programs.

"The black programs are more efficient because they are developed in an orderly process and not delayed by partisan debate that will slow things down," said Mi-

chael Burch, assistant secretary of defense for public affairs. "I am familiar with black programs and I feel that they are justified in being black."

And few military leaders waiver in their conviction that government secrecy is needed.

"How does a free and open society survive in competition with a ruthless, venal, closed society?" asked the retired chief of naval operations, Adm. Elmo Zumwalt Jr., a defense industry consultant. "We are such a leaky society that it is very easy for the Soviets to penetrate our white world." The United States, therefore, should rely more on black programs where the secrecy shield would be harder to pierce, Zumwalt argued.

But retired Rear Adm. Gene LaRocque, director of the Center for Defense Information, a Washington group that has frequently criticized the Pentagon, countered by saying, "The way to respond to Soviet military capabilities is not to become like them. If we do that, then we have lost what we are fighting for."

**Secret Only to Public**

Critics also believe that all too often the Pentagon's secrets are only secret to the American public.

For example, when Soviet and American negotiators agreed to limit nuclear weapons at the SALT II talks in 1979, they discussed at length each other's ability to verify compliance with the treaty.

The discussion inevitably turned on reconnaissance satellites, treading close to the deepest military secrets in America. How was it that we could deal with the Soviets on top secret spacecraft whose very existence the Pentagon had never officially disclosed to the public?

"All we could tell the American public was that we had national technical means to verify the treaty," said a former arms control

official during the Carter Administration. "At the same time, we discussed with the Soviets, at least implicitly, U.S. satellite capability. I thought it was silly."