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PRESIDENT TO ISSUE ORDER TO LIBERALIZE - RULE ON SECRET DATA

Change in Procedure on Classified Documents Designed to Exhibit Interest in Open Government

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Special to The New York Times

WASHINGTON, June 28 — President Carter plans a sweeping liberalization of the procedures governing the classification of Government documents.

. He intends shortly to issue an executive order that will sharply limit the extent and duration of classifications, such as "confidential," "secret" and "top secret," and reduce the number of agencies that have classification authority.

The executive order will also provide that declassification procedures consider "whether the public interest in disclosure outweighs the damage to national security that might be reasonably expected from disclosure," according to the document, a copy of which was obtained by The New York Times.

The White House intends to present the executive order as a demonstration of the President's commitment to open government. Although civil liberty groups praised the new procedure, they said they did not believe the new policy would offset what they regarded as the Administration's commitment to secrecy in other areas.

Three Cases Cited

They cited the cases against Frank Snepp, a former agent of the Central Intelligence Agency who wrote a book critical of the agency, and the prosecutions of David Truong and Ronald Humphrey for theft.

"Nothing that they could do in the executive order could outweigh the harm to free debate on national security issues brought about by the Snepp and Truong cases," said Morton Halperin, director of the Center for National Security Studies, who helped to formulate the new procedures.

Mark Lynch, a staff attorney for the American Civil Liberties Union who specializes in government secrecy, said that the new procedures "could be very useful" because "they'll have to think harder about what they're doing."

He agreed with Mr. Halperin, however,

that "on balance, what they would have done to tie up government information in the Snepp and Truong cases far outweighs any improvement they could make in an executive order."

Oversight Agency Planned

The new executive order will replace one issued by President Nixon in 1972. It will create an oversight agency to deal with any bureaucratic efforts to circumvent the liberalized procedures.

The new order will provide that documents be classified section by section and not in their entirety, as is now the case. Some long documents have been classified because of only one or two sensitive paragraphs.

Classification will be required to meet two criteria. Currently, it can be imposed if unauthorized disclosure can reasonably be expected to damage national security. Under the new order, the damage must be identifiable not only when the documents are classified but also when litigation is brought, and the information must fall within seven classification categories, such as intelligence sources and the design of weapons.

Under the executive order, most documents will automatically be declassified after six years, and most of the rest will be declassified after 20 years. At present, 47 percent of the documents are automatically declassified after 6 to 10 years and the rest after 30 years.

Some to Lose Authority

The order will remove the classification authority of 11 agencies, including the President's Domestic Policy Staff, several regulatory agencies and the Departments of Labor, Agriculture, and Health, Education and Welfare.

Five other agencies will have their classification authority reduced. These are the Department of Commerce (top secret to secret); the Agency for International Development (top secret to secret); the Overseas Private Investment Corpora-

tion (secret to confidential); the Export-Import Bank (secret to confidential), and the Council of Economic Advisers (top secret to secret).

The new order will restrict the use of classification after a document has been requested under the Freedom of Information Act. At present, there are no restrictions on classification after such requests. Under the new order, only senior agency officials will be able to classify existing documents after the request is made.

Role for Security Council

The Security Oversight Office to be created to police the classification system will be situated in the General Services Administration under the supervision of the National Security Council.

The order was drafted by an Administration team led by the staff of the National Security Council and the Domestic

Policy Staff, The study included consultation with Congressional committees and private groups including the American Civil Liberties Union and the Center for National Sequence Studies

National Security Studies.

Unlawful disclosure of classified information is a felony punishable by imprisonment of up to 10 years, a fine of up to \$10,000 or both.

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