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Third Agency Rule

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Copy for CON - Mrs. Blake

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rule**832-1-
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O - Mr. Gardiner

June 3, 1948

CSA - Mr. Fitch

"Third Agency Rule"

Reference is made to your memorandum of March 31, 1948, addressed to Mr. Flaherty, wherein you requested authorization to waive the "Third Agency Rule". After exhaustive research and investigation it has been determined that this rule was devised at a meeting of representatives of the Departments of State, Treasury, War, Navy, Agriculture, Commerce, Maritime Commission, Office of Emergency Management and Export Control. It is not within the province of this office to waive such a rule. The possible waiving of this rule was explored thoroughly through Department of State liaison channels with Army and Navy, and they emphatically stated they wished the rule strictly adhered to.

As a suggestion in your particular case, since the SANACC Secretariat is authorized to release SANACC papers carrying the classification of up to but not including TOP SECRET to the National War College, you could have the documents presented to that body, which could turn them over to the National War College. This does not violate the spirit or intent of the rule since there would be a representative in SANACC of the agency which originated the desired document.

It is imperative that this "Third Agency Rule" be faithfully observed, since our good relationships with other Government agencies are largely dependent thereupon.

Attached hereto is the final draft of the agreement which was reached on July 7, 1941.

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Handwritten sent
copy to REF.
Fishes retracting
sending all copies
to me. B.*

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CSA:JDDoerr:rnc

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EXTRACT

July 7, 1941

REPORT OF THE REPRESENTATIVES OF VARIOUS DEPARTMENTS, COMMISSIONS AND OFFICES (HEREINAFTER DESIGNATED "AGENCIES") APPOINTED TO CONSIDER THE DISSEMINATION AND SAFEGUARDING OF INFORMATION REQUIRED IN THE FORMULATION OF POLICY IN THE PRESENT EMERGENCY.

3. a. (3) Each agency will be the sole judge, and will assume the responsibility for its decisions as to what information received initially by it is to be disseminated to other agencies, to which agencies, and under what classification or other safeguards.

SIGNED:

George Gordon, Representing the State Department

John C. Wiley, Representing the Treasury Department

Sherman Miles, Brig. General, USA., Representing the War Department

Howard D. Bode, Captain, USN, Representing the Navy Department

Arthur M. Becker, Representing the Department of Agriculture

Eugene Burgess, Representing the Department of Commerce

Huntington T. Morse, Representing the Maritime Commission

Shane McCarthy, Representing the Office for Emergency Management

Ralph C. Scott, Major, ORD-Res., USA, Representing the Administrator
for Export Control

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FINAL DRAFT

July 7, 1941

REPORT OF THE REPRESENTATIVES OF VARIOUS DEPARTMENTS, COMMISSIONS AND OFFICES (HEREINAFTER DESIGNATED "AGENCIES") APPOINTED TO CONSIDER THE DISSEMINATION AND SAFEGUARDING OF INFORMATION REQUIRED IN THE FORMULATION OF POLICY IN THE PRESENT EMERGENCY

1. The Problem Presented

a. It is essential that the various policy-making agencies of the Government receive promptly such information as may be required in the execution of their functions.

b. It is also essential that secret and confidential information be safeguarded.

c. The problem therefore entails the adjustment of conflicting interests--the extension of the dissemination of information and the limitation of that dissemination.

2. Discussion of the Problem.

a. No single solution of this problem applicable to all agencies appears to be practicable. The agencies differ materially in organization, in method of handling information and in their liaison with other agencies. The agencies are also rapidly growing in size and complexity. Standardized methods of handling and exchanging information cannot be established by mutual agreement, and indeed it is doubtful if the advantages of such standardization would offset the very considerable risks to the security of information and the reorganization and consequent impairments of efficiency which standardization would entail in the various agencies.

b. Certain steps, however, may be taken, as recommended below, which, it is believed, will materially aid in the solution of the problem. These steps will maintain existing channels of liaison, open others to such use as may be found in practice advantageous, and at the same time require the least dislocation of function in the agencies.

3. Action Recommended.

a. That all of the agencies represented in this report agree on the following:

(1) Existing channels of inter-agency liaison will remain unchanged and will be developed as the situation may require.

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In particular, information of a technical nature and not directly affecting governmental policy will be freely exchanged between agencies by mutual liaison.

(2) Each agency will be responsible for the dissemination and for the safeguarding of information within its own organization.

(3) Each agency will be the sole judge, and will assume the responsibility for its decisions as to what information received initially by it is to be disseminated to other agencies, to which agencies, and under what classification or other safeguards.

(4) In order to establish a common understanding of the relative secrecy of information and the consequent safeguards with which it should be protected, all agencies agree to the following classification, definitions and procedure in handling information which passes from one agency to another:

(a) Secret. All information, the disclosure of which might endanger national security or be of great advantage to an actual or potential enemy. Dissemination to be held to an absolute minimum, and to those persons whose duties require a knowledge of it and who are held responsible for its inviolability.

(b) Confidential. Information, the disclosure of which, although not endangering the national security, might be prejudicial to the interests of the United States or be of advantage to an actual or potential enemy. Confidential information may be given a wider dissemination than Secret, but only to those persons whose duties are concerned with it and who will be responsible for its security.

(c) Restricted. Information for official use only and to be denied to the public. Dissemination may be to persons of undoubted loyalty and discretion who are cooperating in Government work, as well as those in United States service.

b. That the Department of the Treasury, War, Navy, Agriculture and Commerce, and the Administrator of Export Control agree, subject to the above general agreement, to establish or designate, each within his own agency, a single office for the exchange of information of such importance in relation to the present emergency as to bear upon or influence governmental policy.

(1) To this office will be sent all such information which has been initially received by any branch of that agency and which has been passed by competent authority within the agency for transmission to other interested agencies.

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(2) The office will be charged, at its discretion and on its responsibility, with the dissemination of such information, under whatever safeguards it may consider necessary, to corresponding offices of such other agencies as may be concerned with the information in question.

(3) The office will further be charged with receiving information of similar nature from corresponding offices of other agencies, and of making the required dissemination of that information, under proper safeguards, within its own agency.

c. That the Department of State, the Maritime Commission, and the Office for Emergency Management (the latter including and speaking for the Office of Production Management, the Lease-Lend Office, and the National Defense Research Committee) agree, subject to the above general agreement, to designate one or more offices within their respective agencies to which inquiries on matters other than those already covered by existing channels of inter-agency liaison, can be addressed for important information of the nature above set forth on designated subjects, and to which such information may be sent by any other agency. These offices will accept responsibility for the dissemination within their agency of information received by them from other agencies, including adequate steps for the safeguarding of that information during the process of dissemination.

George Gordon
State Dept.

John C. Wiley
Treasury Dept.

Sherman Miles, Brig. Gen.
War Dept.

Howard D. Bode, Capt, USN
Navy Dept.

Arthur M. Becker,
Dept. of Agriculture

Eugene Burgess
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