

of these are performing production or services under Government contracts?

Mr. LIEBLING. I would say about 20 percent, which would entail the number that are classified.

Mr. NITTLE. Supposing the committee were to consider an amendment to its bill which would limit the application of the personnel security program to those defense facilities that are performing Government contracts.

What effect would that have?

Mr. LIEBLING. Well, we could administer these along those lines, if that limitation were placed, but you would have to go back to the entire subject of the hearing today on how would a judgment or determination be made in an individual case, who would not have access to classified information, who may be an active member of a subversive organization, who may be in a position to commit or perform espionage or sabotage, so some sort of investigative requirement may be required.

But as I say, we could administer it with those conditions.

Mr. NITTLE. I don't quite understand your point there. Do you mean to say that your only concern with the protection of defense facilities would relate to the protection of classified matter?

Mr. LIEBLING. No. I am saying the limitation you would impose would not give us the procedure for investigating personnel who may not be involved in classified information but who may be considered as a risk in terms of your proposal to envelope the Industrial Defense Program in the bill today, as a matter of national security.

Mr. NITTLE. Now the Industrial Defense Program, by the criteria of the bill, would involve a number of facilities, would it not, even though they performed no classified matter?

Mr. LIEBLING. Yes.

Mr. NITTLE. Now let us take the criteria for facilities which this bill would place in the Industrial Defense Program and would subject to a personnel security clearance program.

The first criteria are those facilities engaged in classified military projects. Now that might well, in itself, also be embraced within your Industrial Security Program, which relates solely to classified contracts.

Mr. LIEBLING. Yes.

Mr. NITTLE. As to this first category, would such a facility, engaged in classified military projects, be engaged in that except under a Government contract?

Mr. LIEBLING. I am not too clear on your question.

Mr. NITTLE. Let me rephrase it.

Mr. LIEBLING. Please.

Mr. NITTLE. A classified military project would be one that would be classified by a Government agency for security purposes, would it not?

Mr. LIEBLING. Yes.

Mr. NITTLE. Now it would seem by that definition itself there, where a facility were engaged in such a project, it would be under Government contract, would it not?

Mr. LIEBLING. Yes, it would.

Mr. NITTLE. So we have no problem with that either, because that would likewise be embraced within the Industrial Security Program.