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Security Panel Document
SP-211

MEMORANDUM FOR THE SECURITY PANEL

Revised Cabinet Directive on Security

At its meetings on June 28th and September 27th, 1963, the Security Panel considered a draft revision of Cabinet Directive No. 29 of December 21st, 1955, the directive upon which present Canadian security policies and procedures are based. Attached for the consideration of the Security Panel is a further revision of the first draft, again drafted in such a way that it could, if necessary, be made public.

2. The essential differences in policy and procedure between those set out in Cabinet Directive No. 29, and those in the attached draft revision are:

Policy

- (a) paragraph 2 - Rather than requiring the loyalty and reliability of "any person employed in the public service", the attached draft requires that persons granted access to classified information must be persons in whom the government "might repose the fullest degree of confidence". The question of loyalty is also related to subversive organizations other than communist organizations.
- (b) paragraph 3 - As opposed to "belief in Soviet Communism" in the present Directive, the attached draft sets out five more specific criteria for judgement as to loyalty, directly related to membership in or support of subversive organizations, which are matters of fact more readily discoverable than are matters of belief.
- (c) paragraph 5 - More specific criteria are set out concerning reliability than in the present Directive. More important, the attached draft provides for some latitude of departmental judgement in accepting some minimal risk after consideration of all the circumstances, whereas the present Directive requires that all persons with "defects in their character must not be employed in any position where they may have access to classified information".
- (d) paragraph 7 - Provision has been made in the new draft for the security clearance of employees such as cleaning and maintenance staff who, although their work does not require access to classified information, may by the nature of their work gain unauthorized access to such information. The requirement in the present Directive for the security clearance of persons engaged in mass

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communications has been omitted from the new draft as being unnecessary.

- (e) paragraph 8 - The new draft emphasizes the necessity of balancing the preservation of security against the preservation of the rights and interests of the individual. It also excludes the requirement in the present Directive that any continuing doubt about an individual's loyalty or reliability "must be resolved in favour of the state", and requires a number of positive actions designed to resolve any doubt in a manner such that the interests of both the state and the individual are served.

Procedure

- (f) paragraph 10 - The new draft requires the person being investigated to participate in the investigation by providing information about himself, and also requires him to be informed beforehand of the reasons for security investigation, and of the dangers to himself and to the country in concealing information which might bear on his security status.
- (g) paragraph 11 - The function of an investigative agency is set out more specifically, especially in requiring the provision of all information, favourable and unfavourable, resulting from an investigation.
- (h) paragraph 15 - Perhaps the most important change of all, the new draft requires that an employee about whom doubt has been raised on security grounds must be interviewed and given an opportunity to resolve that doubt. If security clearance is denied, full consideration of the case by the Secretary of the Security Panel, the deputy minister (including a further interview), the full Security Panel and the responsible Minister, in that order, is required before dismissal may take place.

3. Members will recall that it was the original intention to table the new security directive in the House of Commons, the tabling to be accompanied by a full explanatory statement by the Prime Minister. Since that time, some thought has been given to the dangers of tabling such a document, and to the alternative method of including the substance of the directive, without its actual wording, in a rather fuller explanatory statement to be made in the House.

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4. The Security Panel is asked to consider:
- (a) whether the policies and procedures set out in the attached second draft revision of the Cabinet Directive on Security provide an adequate and practicable guide to departments and agencies in dealing with security matters; and
 - (b) the most appropriate means of informing the general public of the nature of these policies and procedures and the reasons for them.

D. F. Wall,
Secretary of the Security Panel.

Privy Council Office,
October 1st, 1963.

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