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(meetings)

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The 73rd meeting of the Security Panel was held in the Privy Council Committee Room, East Block, on Thursday, October 3rd, 1963, at 2:30 p.m.

PRESENT:

Mr. R. G. Robertson  
Secretary to the Cabinet (Chairman)

Mr. E. B. Armstrong  
Deputy Minister of National Defence

Mr. R. B. Bryce  
Deputy Minister of Finance

Mr. J. S. Cross  
Department of Citizenship & Immigration

Commissioner C. W. Harvison  
Royal Canadian Mounted Police

Mr. G. W. Hunter  
Deputy Minister of Defence Production

Mr. T. D. MacDonald  
Department of Justice

Mr. R. G. MacNeill  
Chairman, Civil Service Commission

Mr. N. A. Robertson  
Under-Secretary of State for  
External Affairs

Mr. D. F. Wall  
Privy Council Office (Secretary)

ALSO PRESENT:

Deputy Commissioner G. B. McClellan  
Royal Canadian Mounted Police

Superintendent W. H. Kelly  
Royal Canadian Mounted Police

Mr. J. J. McCardle  
Department of External Affairs

Mr. L. C. Cragg  
Department of Defence Production

Mr. D. Beavis  
Privy Council Office

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I. Revised Cabinet Directive on Security

1. The Panel had for consideration a paper outlining the essential differences in policy and procedure between those set out in Cabinet Directive No. 29 and those in the second draft revision of the Directive which had been amended in light of the discussion at the last meeting. The Panel was asked to consider

- (a) whether the policies and procedures set out in the draft revision of the Cabinet Directive on Security provided 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.

(Security Panel Document SP-211 and Item I, para. 3 of the 72nd meeting refer.)

2. During a clause by clause review of the second draft revision, the following principal points arose:

- (a) It was considered desirable to apply the basic principles in the draft directive to persons employed in defence industry. Assuming the benefit of greater frankness in dealing with employees, provided that sensitive and important sources of information were not compromised by so doing, it was logical to consider interviewing industrial employees about whom some doubt had been raised during the process of clearing them for access to classified information in defence industry.
- (b) The draft revision omitted previous references to clearance for security purposes of persons employed in positions where they might misuse publicly-owned facilities of mass communication. While the R.C.M. Police held the view that such media could be used by communists to the detriment of Canada, others considered that it was no more appropriate to include the CBC in the Cabinet Directive on these grounds than it would be to include the CTV or the Press. The problem was considered to be one of departmental responsibility which should be considered as a separate issue, be pointed out specifically to Ministers, and possibly form the basis for a separate directive.
- (c) Concerning the possible desirability of a central review of security cases resolved by departments to their own satisfaction, it was noted that

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(i) under the terms of a memorandum issued by the Security Sub-Panel the R.C.M. Police were informed by departments of action taken to retain persons on whom adverse political briefs had been transmitted,

(ii) if the R.C.M. Police were worried about specific departmental judgements, liaison with departments was at present adequate for discussion on differences of opinion, and in the event of continuing disagreement, present practice included reference to the Security Panel secretariat.

If a central review were to be required as a formal procedure, all departmental judgements would require to be reviewed, which would be inconsistent with the principle of departmental responsibility. Short of a formal review of this sort the R.C.M. Police considered that it would be undesirable to leave the initiative for specific reviews in their hands.

(d) Concern was expressed that the draft directive went too far in its provision for the protection of individual rights, particularly if it were to be considered for publication; it would be desirable to draw a distinction between action taken in cases of doubt and in cases of certainty about the individual's subversive affiliation. Others said that, on the grounds that even convicted criminals had rights and interests which the government was responsible to take into account, the directive did no more in security cases than was provided by criminal statutes.

(e) Concerning the functions of an investigative agency, it was noted that the intention of the directive as worded was not to confine the Directorate of Security and Intelligence to making only background investigations. The R.C.M. Police reiterated concern which they had expressed at the 71st meeting about an unacceptable increase in workload if "all the information, favourable and unfavourable" were to be sent to all departments after all investigations. Revision to paragraph 11 was suggested which would provide for the R.C.M. Police to send to departments additional information which would be of assistance to security officers in their consideration of security clearances in instances where adverse information had developed. In clearly favourable files containing no suggestion of adverse information, repetitive and wholly favourable information might be summarized, the form of the summary to be a matter of negotiation between the R.C.M. Police and individual departments whose requirement for detailed information varied from department to department.

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- (f) The only exception contemplated to the procedure for interviewing employees about whom doubt had been raised during a security investigation was intended to be in cases where sensitive and important sources of information would be compromised by conducting the interview. The Secretary noted that in the vast majority of cases, whatever the restriction on the protection of sources, it should be possible to say something to the individual concerning the information against him, and that there were likely to be only one or two cases a year involving vital sources. Superintendent Kelly agreed and said that it was in most instances possible to take into account other possible sources to which the information could be attributed without jeopardizing the sensitive source.
- (g) Two interviews were considered procedurally necessary in view of the fact that this type of review was in lieu of the formal review and appeal system for which there had been public demand.
- (h) It was considered necessary to add a provision concerning departmental action to ensure continuing departmental security in cases requiring more urgent action than the routine procedures provided for in the draft directive.
- (i) It was suggested that Ministers might wish to consider the desirability of providing to leaders of the opposition parties a copy of the Cabinet Directive in its final form as a confidential document.

3. After further discussion during which a number of amendments were noted secretarially, the Panel agreed:

- (a) that the draft directive be further revised in light of the discussion and cast in the form of a memorandum to the Cabinet Committee on Security and Intelligence for consideration as soon as possible in compliance with the Prime Minister's wishes; and
- (b) the most appropriate means of informing the general public of the nature of the government's policies and procedures together with the reasons for them was a matter for determination by the Cabinet Committee.

## II. Questions on Security Raised by Mr. Orlikow

1. The Panel also had for consideration draft answers to a number of questions on security asked in the House by Mr. Orlikow on September 30, 1963. The Panel was asked to consider the draft as a basis for the provision of appropriate answers to those parts on which some informative response could be made, on the assumption that the replies might be made orders for return.

(Security Panel Document SP-212 refers.)

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2. During a brief discussion of the proposed replies a number of alterations and excisions were noted secretarially and the following principal points arose:

- (a) It would be undesirable to have the questions and replies made orders for return.
- (b) Arrangements should be made to have the questions stand until there had been further consideration of the replies by Ministers and until the Cabinet Committee on Security and Intelligence had had an opportunity to consider the draft Cabinet Directive on Security.
- (c) In a covering memorandum to the Cabinet Committee, reasons for the undesirability of identifying specific positions requiring access to classified information and for identifying specific departmental security officers, most of whom were not listed by this function in public directories, should be given.

3. The Panel agreed that the Secretary should prepare answers revised in light of the discussion for presentation to the Cabinet Committee on Security and Intelligence.

### III. R.C.M. Police Investigations within the Public Service

1. Without discussion, the Panel agreed that document SP-209 again be deferred.

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D. F. Wall,  
Secretary.

Privy Council Office,  
October 11th, 1963.

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