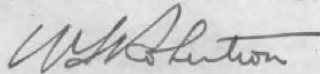


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CONFIDENTIAL



December 18th, 1963.

Secretary to the Cabinet.

CABINET DIRECTIVE NO. 35

Security in the Public Service of Canada

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POLICY

1. Security in the public service of Canada is essentially a part of good personnel administration, and therefore it is the responsibility of each department and agency. The security of classified information in the possession of a department or agency may be placed in jeopardy either by persons who may be disloyal to Canada and her system of government or by persons who are unreliable because of defects in their character.
2. Employees in the public service of Canada, including members of the Armed Services and the Royal Canadian Mounted Police, who are required to have access to classified information in the performance of their duties, must be persons in whose reliability and loyalty to his country the Government of Canada can repose full confidence. It has been clearly demonstrated that such confidence cannot be placed in persons whose loyalty to Canada and our system of government is diluted by loyalty to any Communist, Fascist, or other legal or illegal political organization whose purposes are inimical to the processes of parliamentary democracy. It is therefore an essential of Canadian security policy that persons described in paragraph 3 below must not, when known, be permitted to enter the public service, and must not if discovered within the public service be permitted to have access to classified information. If such a person is

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in a position where he has access to classified information, he must at least be transferred to a less sensitive position in the public service. It may also be necessary, where it appears to the Minister concerned to be in the public interest, to dismiss him from the public service, subject to the conditions set out at paragraph 17 below.

3. The persons referred to in paragraph 2 above are:

- (a) a person who is a member of a communist or fascist party or an organization affiliated with a communist or fascist party and having a similar nature and purpose;
- (b) a person who by his words or his actions shows himself to support a communist or fascist party or an organization affiliated with a communist or fascist party and having a similar nature and purpose;
- (c) a person who, having reasonable grounds to understand its true nature and purpose, is a member of or supports by his words or his actions an organization which has as its real objective the furtherance of communist or fascist aims and policies (commonly known as a front group);
- (d) a person who is a secret agent of or an informer for a foreign power, or who deliberately assists any such agent or informer;
- (e) a person who by his words or his actions shows himself to support any organization which publicly or privately advocates or practices the use of force to alter the form of government.

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4. It must be borne in mind that there may be reason to doubt the loyalty of a person who at some previous time was a person as described in paragraph 3 above, even though this doubt may not be confirmed by recent information about him.

5. In addition to loyalty, reliability is essential in any person who is to be given access to classified information. A person may be unreliable for a number of reasons that do not relate to loyalty. To provide as much assurance of reliability as possible persons described in paragraph 6 below may not be permitted to have access to classified information, unless after careful consideration of the circumstances, including the value of their services, it is judged that the risk involved appears to be justified.

6. The persons referred to in paragraph 5 above are:

- (a) a person who is unreliable, not because he is disloyal, but because of features of his character which may lead to indiscretion or dishonesty, or make him vulnerable to blackmail or coercion. Such features may be greed, debt, illicit sexual behaviour, drunkenness, drug addiction, mental imbalance, or such other aspect of character as might seriously affect his reliability;
- (b) a person who, through family or other close continuing relationship with persons who are persons as described in paragraphs 3(a) to (e) above, is likely to be induced, either knowingly or unknowingly, to act in a manner prejudicial to the safety and interest of Canada. It is not the kind of relationship, whether by blood, marriage or friendship, which is of primary concern. It is the

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degree of and circumstances surrounding such relationship, and most particularly the degree of influence that might be exerted, which should dictate a judgement as to reliability, a judgement which must be taken with the utmost care; and

- (c) a person who, though in no sense disloyal or unreliable, is bound by close ties of blood or affection to persons living within the borders of such foreign nations as may cause him to be subjected to intolerable pressures.

7. In addition it must be recognized that there may be a serious risk to security in employing or permitting to be employed persons such as those described in paragraphs 3 or 6 above:

- (a) in certain positions in industrial firms and related establishments involved in or engaged upon the production or study of classified defence equipment which requires security protection; or
- (b) in positions in government organizations engaged in work of a nature vital to the national security which, although they do not normally involve access to classified information, may afford their incumbents opportunities to gain unauthorized access to such information.

8. To carry out their responsibility for the safekeeping of the secrets of the Government of Canada and her allies, departments and agencies must first obtain sufficient information about a person to be given access to these secrets in order that a reasonable judgement might be made as to his or her loyalty and reliability. In making this administrative

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judgement, it must always be borne in mind that, while the interests of the national security must take precedence where there is a reasonable doubt, the safeguarding of the interests of the individual is also essential to the preservation of the society we seek to protect. Information bearing on the security status of an employee will be treated as confidential.

PROCEDURE

9. The following procedures by which this policy is to be implemented are designed to provide that the most careful screening possible be given, particularly to persons who will have access to highly classified information. It is the continuing responsibility of each government department and agency to ensure that its security remains unimpaired.

10. Information about persons who are being considered for access to classified information must be obtained at least from the persons themselves, from referees named by the persons, and from investigations conducted by authorized investigative agencies. Departments and agencies will inform persons who are being considered for access to classified information of the reasons for seeking background information about them, and to explain to them the dangers to themselves as well as to the national security in their attempting to conceal any information which may have a bearing on the degree of confidence that can be reposed in them.

11. The functions of an investigative agency are to conduct promptly and efficiently such investigations as are requested by departments or agencies to assist them in determining the loyalty and reliability of the subject of investigation; and to inform departments and agencies of the results of their investigations in the form of factual reports

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in which the sources have been carefully evaluated as to the reliability of the information they have provided.

12. On the basis of these reports and such other pertinent information as has been obtained from the person concerned, from the character references which he has given, and from such other sources of information as may have been utilized, the employing department or agency will arrive at a considered judgement of the person's loyalty and reliability, and of the degree of confidence that can be reposed in him to carry out safely and efficiently the duties to be performed.

13. If a favourable determination is made, the department or agency may grant a security clearance to the level required for the efficient performance of the duties of the position concerned. If, on the other hand, there is in the judgement of the deputy minister of the department or the head of agency concerned a reasonable doubt as to the degree of confidence which can be reposed in the subject, the granting of a security clearance will be delayed until the doubt has been resolved to the satisfaction of the deputy minister or the head of agency.

14. Where an applicant for employment in the public service, as opposed to a person already employed, is being considered for appointment to a position requiring access to classified information and doubt has arisen as to his suitability for such access, the following courses of action may be taken with a view to resolving that doubt:

- (a) further specific investigation may be requested of an authorized investigative agency; or
- (b) the department or agency may at any time seek the advice of the interdepartmental Security Panel.

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15. Where a person is already employed in the public service, and a doubt has been raised as to his suitability to have access to classified information, the security officer of the department or agency must take such action as is necessary to preserve security and may take the courses of action referred to in paragraph 14 with a view to resolving that doubt. Should these actions fail to resolve the doubt, or appear to the department or agency to be inexpedient under the circumstances, the assistance of the employee himself shall be sought in an attempt to resolve the doubt. A senior officer appointed by the deputy minister or head of agency shall, after appropriate consultation with the investigative agency or other source of the information which raised the doubt, interview the subject and inform him, to the fullest extent that is possible without jeopardizing important and sensitive sources of security information, of the reasons for doubt, and shall give the employee an opportunity to resolve it to the satisfaction of the responsible department or agency.

16. Should none of the courses set out in paragraph 15 above result in a satisfactory resolution of doubt concerning a government employee, the responsible department or agency shall withhold a security clearance, shall take such action as is necessary to preserve security and shall consult the Secretariat of the Security Panel with a view to their assisting the department or agency in determining tentatively:

- (a) whether the subject might safely and usefully be appointed to a less sensitive position in the department or agency or elsewhere in the public service, with his knowledge and consent to the fullest degree possible under the circumstances;

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- (b) if appointment elsewhere is not possible, whether he should be asked to resign his position in the department or agency; or
- (c) if he refuses to resign, whether it should be recommended to the Minister responsible that the person be dismissed from the public service.

17. Should the department decide that a recommendation for dismissal should be made, no action shall be taken on such recommendation until:

- (a) the deputy minister or head of agency has personally made a complete review of the case, and has himself interviewed the employee in question, in a further attempt to resolve any reasonable doubt as to his trustworthiness;
- (b) the employee has been advised, to the fullest extent possible without jeopardizing important and sensitive sources of security information, why doubt continues to be felt concerning his loyalty or reliability, and has been given a further opportunity to submit any information or considerations that he thinks ought to be taken into account on his behalf by the deputy minister or head of agency; and failing a satisfactory resolution,
- (c) the advice of a board of review drawn from the members of the Security Panel has been sought on the basis of all the information available. (The board of review shall consist of the Chairman and at least two members of the Security Panel, with the

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proviso that no member who is directly concerned with the case shall sit as a member of the board.)

18. In arriving at a final decision as to whether to recommend to the Governor in Council that an employee be dismissed on grounds of security, the Minister responsible will take into account all of the relevant information and advice that has been provided, but the Minister is not bound to act on such advice.

19. The numbers of all persons who for security reasons are removed from eligible lists by the Civil Service Commission, or are in one way or another refused access to classified information by departments or agencies for security reasons, will be sent quarterly to the Secretary of the Security Panel in order that the Panel may from time to time review the number of persons or the type of cases involved, and assess the extent of the security problem in the public service. The figures provided should be broken down in the following general categories: persons dismissed, persons permitted to resign, persons transferred to non-sensitive posts, persons denied access to classified information, persons denied employment. In addition the figures should indicate whether the action was taken on grounds of disloyalty or unreliability. Figures should not include persons who are no longer given access to classified information because of a change in duties or other similar administrative reasons.

20. It is the responsibility of each deputy head, or head of an agency, to nominate a competent senior official, preferably the Senior Personnel Officer, to act as security officer, and to notify the Secretary of the Security Panel of the appointment and of any subsequent change. The official so nominated shall be cleared for security in accordance with the procedures set out in paragraph 25(1) below. The person

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so named will be responsible to the deputy head or head of an agency for ensuring that all regulations relative to security are carried out within the department or agency. It will also be the responsibility of the departmental security officer to maintain close liaison with the government agencies responsible for security policy and procedures. It is important that wherever possible security officers should be persons who may be expected to continue their work over a long period of time, since effective security is difficult to maintain without considerable experience in a specialized field.

#### METHODS

21. Security screening of applicants to the public service will be initiated by the Civil Service Commission, or by departments and agencies in the case of persons not employed under the Civil Service Act. Where persons already employed in a department or agency are to be given access to classified information, security screening will be initiated by the department or agency concerned.

22. When it appears necessary on security grounds for the Civil Service Commission to reject an applicant, or a candidate for a position involving access to classified information who is already in the public employ, the Commission will when appropriate consult with the interested department in order to reach a joint agreement as to what action may finally be taken, bearing in mind the fact that the ultimate responsibility for security rests with the department.

23. When it appoints to a department a new employee who has been the subject of a security screening, the Civil Service Commission will send forward to the department all the pertinent information and documentation relating to the security screening.

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24. A person to be appointed to a permanent position in the public service will not normally be made the subject of security screening for this reason alone. But whenever a person to be appointed to such a position is, in the opinion of the deputy minister or head of agency concerned, likely to be required eventually to have access to classified information, that person shall before being given a permanent appointment, be made the subject of a fingerprint and file check if this has not already been done.

25. Within the policies and procedures set out above, a security assessment and clearance will be made by the following means. These represent security criteria and methods which are consistent with present investigative services available interdepartmentally; they are minimum standards and do not limit in any way the right of the armed forces to conduct field checks, through their own resources, of personnel employed with or on behalf of the Department of National Defence.

(i) Persons to have access to Top Secret information

Before a person is employed in a position requiring access to Top Secret information he must be the subject of an investigation in the field by an appropriate investigative agency, his name must be checked against the subversive records of the R.C.M. Police, and he must be the subject of a fingerprint check by the R.C.M. Police. These procedures are mandatory.

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(ii) Persons to have access to Secret information

(a) Before a person is employed in a position requiring access to Secret information his name must be checked against the subversive records of the R.C.M. Police, and he must be the subject of a fingerprint check by the R.C.M. Police. Both these procedures are mandatory.

(b) When the Chairman of the Civil Service Commission or the deputy head of a department or agency, or a security officer appointed by them, considers that information provided by the means set out in paragraph 25(ii)(a) may be clarified by an investigation in the field, or that such an investigation is necessary to satisfy him as to an applicant's or employee's loyalty and reliability, he may request that an inquiry be made of a person's background by a field investigation to be carried out by an appropriate investigative agency. Where it appears that requests from a department or agency dealing with the R.C.M. Police as the investigative agency exceed what seems to be a normal requirement, the R.C.M. Police may ask the Security Panel to allot priorities.

(iii) Persons to have access to Confidential information

Before a person is employed in a position requiring access to Confidential information, his name must be checked against the subversive records of the R.C.M. Police, and he must be the subject of a fingerprint check by the R.C.M. Police. Both of these procedures are mandatory.

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(iv) Responsibility for granting clearances

The deputy head of a department or agency will be responsible for granting or withholding a security clearance and will assume a continuing responsibility for a person's access to Top Secret, Secret and Confidential information.

26. In addition, departments and agencies are reminded that personal consultation with the references listed by the employee in his Personal History Form may provide useful supplementary information about his character. References should therefore be consulted personally when it appears that a useful purpose would be served by so doing.

27. Comparable procedures set forth in paragraph 25, except those relating to fingerprinting, apply equally to persons employed in defence industry (and certain services related to defence) who may be required to have access to classified information which is the property of the Government of Canada or for the security of which the government is responsible. In defence industry (and certain services related to defence) the procedures will be administered by the Department of Defence Production in accordance with a separate directive relating to security in defence industry.

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