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June 19, 1964.

Minutes of the 75th Meeting of the Security Panel, held in the Privy Council Committee Room, East Block, on Wednesday, June 3rd, 1964, at 2.30 p.m.

PRESENT:

Mr. R.G. Robertson
Secretary to the Cabinet, (Chairman)
G/C. S. A. Banks
Department of National Defence,
Mr. Jean Boucher
Civil Service Commission,
Mr. M. Cadieux
Under-Secretary of State
for External Affairs,
Mr. G.W. Hunter
Deputy Minister
Department of Defence Production,
Mr. C.M. Isbister
Deputy Minister
Department of Citizenship & Immigration,
Mr. T.D. MacDonald
Assistant Deputy Minister
Department of Justice,
Commissioner G.B. McClellan
Royal Canadian Mounted Police,
Mr. D.F. Wall
Assistant Secretary to the Cabinet. (Secretary)

ALSO PRESENT:

Mr. R.B. Curry
Assistant Deputy Minister
Department of Citizenship & Immigration,
Assistant Commissioner J.R. Bordeleau
Royal Canadian Mounted Police,
Mr. J.J. McCardle
Department of External Affairs,
Mr. L.C. Cragg
Department of Defence Production,
Inspector J.E.M. Barrette
Royal Canadian Mounted Police,
Mr. D. Beavis
Privy Council Office. (Asst. Secretary)

I. Security Screening of Applicants for Canadian Citizenship

1. The Panel had for consideration two related documents, one prepared by the Department of Citizenship and Immigration and the other by the R.C.M. Police, concerning the desirability of possible changes in the criteria used in screening applicants for Canadian citizenship. (Documents SP-215 dated April 6th, 1964 and SP-215A dated April 15th, 1964, refer.)

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2. At the request of the Chairman, the Deputy Minister of Citizenship and Immigration reviewed the principal concerns of his department in requesting the Panel to review the screening criteria as set out in document SP-215:

- (a) Granted that an unsatisfactory person had been landed as an immigrant, what added danger to Canada's national security would result from granting citizenship? Mr. Isbister noted that the right to run for election and to vote were involved, but said that the prime argument appeared to be the withholding of a passport in order to limit the travel of persons who were judged to be subversively inclined.
- (b) If security screening were found to be in the continuing best interests of Canada, would it be possible to refine the criteria now in use so as to make finer distinctions between those who were simply followers and those who in fact were leaders in organizations known to be operating against Canada's best interests? While the R.C.M. Police reports on which judgments were based were carefully prepared, such distinctions were not drawn, and this was a matter of Ministerial concern in cases where the Minister was rejecting application for citizenship against his own judgment.
- (c) While acknowledging that existing procedures were the best available at present, Mr. Isbister expressed concern at the secrecy of the procedures unless this were justified only on the basis of protecting Canada's national interest. If only used to protect the image of Canadian citizenship, public rather than secret methods of judgment would be more desirable. He considered that screening criteria, if secret, should be focussed on the dangers to Canada of granting citizenship to known or suspected communists and agents.

2. The Secretary to the Cabinet said that, while there was a dilemma in the use of public or secret methods of judgment, it would not be conceivable for a department not to act against a known subversive if the secret knowledge of the person's activity were known to be completely true. Nor could a Minister contend publicly that a known communist should be allowed into the country or granted citizenship. Mr. Robertson noted the contents of the R.C.M. Police memorandum (SP-215A), and requested the Commissioner to elaborate.

3. Commissioner McClellan said that earlier criteria, which had included membership in Nazi and other related organizations, had been more stringent than those now in use, both with regard to immigrants and to applicants for citizenship. He stressed the point that membership in a communist organization was quite a different matter: organizations of the right which advocated violence were of less security concern and better contained than the communists who, while not now publicly advocating violence and not a threat in terms of

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voting power in Canada, were known to be operating as illegal residents, some infiltrated as falsely documented immigrants, acting as couriers and working underground on direct instructions from the Russian embassy to further Soviet foreign policy aims in Canada. The oath of allegiance was without meaning for these people. He also emphasized the fact that at present the Soviet Bloc Intelligence Service was a better, more sophisticated organization with increased financial support and that a revolutionary change in their espionage methods had taken place, all of which had combined to strain the counter espionage resources of all the western bloc countries. Emphasis was now being placed on the infiltration of persons who might not be activated as illegal residents for periods of 10 to 15 years. In the meantime, such persons would, with covert assistance from the Party, establish themselves as being wholly respectable, deliberately avoiding any difficulty until their citizenship was obtained as a matter of Party policy, obtain Canadian passports for use by agents and others, and then become active on direction. Known agents under watch were employing this tactic at present; if they were granted citizenship, the possibility of deporting them at a later date would be denied.

4. On the question of the importance in distinguishing between leaders and followers, Commissioner McClellan pointed out that Tim Buck, Fred Rose and Sam Carr had not originally been leaders, nor had any of the foreign-born Party executives at the outset. In any event, Party policy was to avoid the appearance of leadership until citizenship had been obtained. He also pointed out that pressures to alter screening criteria are coming, in large part, from interested groups fronting for concealed leaders. For example, the Canadian Council of National Groups, which had been formed for the express purpose of assisting communists in becoming naturalized, has a communist-dominated executive. While agreeing that simple membership in, as opposed to executive function or active support for, an organization such as the Association of United Ukrainian Canadians, which had a number of innocent attendant cultural functions, could not be viewed in the same way as membership in the Party, the Commissioner maintained the view that any measure which prevented a possible agent from using the rights of citizenship against Canada and her allies was valuable and should be continued.

5. During the ensuing discussion, the following principal points emerged:

- (a) Mr. Boucher said that granting of citizenship to communists might provide them with a positive and legitimate means of political outlet and integration, whereas denial tended to leave them as permanent residents with only an isolated and underground means of political expression. Others said that there was no prevention now of the expression of communist views and, moreover, as a matter of long-standing Party policy an underground apparatus would be maintained even if all restrictions were announced publicly as having been removed. The cell system known to be operating now would continue despite any public statements made by the Party in reaction to any relaxation of security measures.

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- (b) The Under-Secretary of State for External Affairs said that the consensus appeared to be that communists should not be allowed to become Canadian citizens. If this were the case, then the process was one of moving from clear-cut cases to those which were more imprecise and less acceptable politically: card-carrying members, or executives without party cards could be rejected with relative ease on the basis of fact, but if the applicant were a member without a party card or in a front organization, it would be more difficult to convince Ministers of the correctness of the interdepartmental committee's judgment in recommending rejection, and no formula could be foreseen which would resolve this difficulty. Further, it was thought doubtful that the criteria could be considered stringent when only 1391 denials out of 700,000 applications had been made over the past ten years. If there were a large body of opinion, rather than simply that of a small group of dissidents, that the government was acting unreasonably, Panel members were unaware of it, and, in its absence, policy should not be changed, particularly in view of known Soviet intelligence activity in Canada.
- (c) While the bulk of reports to the Department of Citizenship and Immigration might be a daily flow of unimpressive information about apparently harmless persons rather than only those which dealt with known or suspected agents, which the Minister quite clearly would wish to reject, the R.C.M. Police were obligated to pass all the information to the Department, should never be asked to withhold information nor to attach weight to it, the latter being wholly the function of the Department with the assistance of the interdepartmental committee.

6. The consensus of the Panel was that the real problem was in dealing with persons not in the communist party but with membership in front organizations. It was thought inevitable that pressures for change would always, and perhaps should always, be on the side of relaxation, but that there was no clear indication that existing criteria ought to be either loosened or tightened under the circumstances.

7. After further brief discussion, the Panel agreed that:

- (a) it could not recommend any alteration in the existing criteria concerning the security screening of applicants for Canadian citizenship; and
- (b) it might be of assistance to the Minister to have a general discussion on security matters with the Commissioner of the R.C.M. Police, to be arranged by the Deputy Minister of Citizenship and Immigration.

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II. Security in Canadian Defence Industry

8. The Panel had for consideration a draft directive concerning security in Canadian defence industry modelled on Cabinet Directive No. 35 (Panel Document SP-217 dated April 30th, 1964, refers).

9. The Deputy Minister of Defence Production explained that the procedures were as similar to those set out in CD-35 as was possible, taking into account the fact that the industrial firm, not the government, was the employer. The main difference between CD-35 and the draft industrial security directive was that appeals from denial of security clearance would be considered only in cases in which an individual was already employed and subsequently adverse information developed which raised doubts about continuing his security clearance.

10. During the ensuing discussion the following points were made:

(a) Some said that the Minister was not the employer of a person working for an industrial firm, as he would be with regard to an individual in the public service; others took the view that if an industrial firm decided to dismiss an employee as a result of the denial by the Department of Defence Production of a security clearance, the Directive should indicate that the Minister had some responsibility in the matter. Two principal arguments supported the latter view:

(i) If both CD-35 and this directive were to be made public, which was still a possibility, then criticism would focus on the obvious discrepancy in the treatment of public servants and industrial employees subject to security screening.

(ii) Contracts with firms were between the firms and the Minister so that, despite the possibility of criticism of Ministerial interference in industrial matters, there remained a sound basis for having the Minister participate in the review process.

(b) The Panel noted that industrial firms showed some tendency to dismiss persons not granted security clearances rather than transfer them to unclassified work. While the Department of Defence Production would conduct the interviews required in doubtful cases, and although only approximately 10 cases of refusal to retain an uncleared man in unclassified work had been noted in the past 10 years, the Panel considered that the draft should parallel more closely the provisions of CD-35.

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11. After further discussion of various similarities and variances between the draft directive and CD-35, the Panel agreed that:

- (a) The Secretary and the Director of the Industrial Security Branch of the Department of Defence Production should review the draft, taking into account
 - (i) the desirability of having the directive as closely parallel to CD-35 as possible under the circumstances, and
 - (ii) possible complications which might be posed by the presence and effect of trade unions in the process of the dismissal of an employee of an industrial firm as a result of his being denied a clearance for security purposes by the Department of Defence Production.
- (b) Subject to the foregoing review, the revised draft might require further discussion by the Panel before being put before the Cabinet Committee on Security and Intelligence, whose approval would be required before implementation.

III. Security Investigations at the Universities

12. The Panel noted Document SP-216, dated April 24th, 1964, which set out as appendices

- (i) the agreed summary record of the meeting of November 15th, 1963, between the Prime Minister and officials concerned, and representatives of the CAUT;
- (ii) the instructions prepared by the R.C.M. Police headquarters under which investigations for the purpose of security screening are carried out in the field.

13. During a brief discussion the Panel noted that

- (a) further attention could be expected to be focussed on this problem during the debate on the estimates of the Department of Justice;
- (b) only two recent instances of lack of co-operation from university staff, both believed to have occurred before Professor Laskin's report to the CAUT executive of his discussions with the Prime Minister, were known, and the R.C.M. Police were unaware of any criticism of unauthorized Police activity since the meeting with CAUT representatives.

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IV. Other Business

14. With regard to Notice of Motion No. 123, in the name of Mr. D. Orlikow, for the tabling of the directive concerning security of personnel, the Panel unanimously agreed to recommend to the Prime Minister that the directive should not be made public and also agreed that the same recommendation should apply to the directive on industrial security when finally accepted by the government.

D.F. Wall,
Secretary.

Privy Council Office,
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