

(Minutes)

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April 10th, 1969.

The 82nd meeting of the Security Panel was held at 8.00 p.m. on Tuesday, March 4th, 1969, in the Privy Council Committee Room.

PRESENT:

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

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

Mr. Marcel Cadieux
Under-Secretary of State
for External Affairs

Mr. J. J. Carson
Chairman, Public Service Commission

Mr. L. E. Couillard
Deputy Minister of Manpower & Immigration

Mr. E. A. Côté
Deputy Solicitor General

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

Commissioner M.F.A. Lindsay
Royal Canadian Mounted Police

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

ALSO PRESENT:

Mr. A. Butroid
Department of Manpower & Immigration
Deputy Commissioner W.H. Kelly
Asst. Commissioner W.L. Higgitt
Inspector R. Vaughan
Royal Canadian Mounted Police

Mr. R. Martin
Secretary of State Department

Mr. E.R. Rettie
Mr. K. McIlwraith
Department of External Affairs

Mr. E. Perkin
Department of Defence Production

Mr. D. Beavis
Privy Council Office (Asst. Secretary)

I. Report of the Royal Commission on Security (General)

The Panel had for consideration a memorandum dated February 27th, 1969, setting out the changes made, at the direction of the Panel at its meeting of January 30th, 1969, to the text of the draft publishable version of the Report of the Royal Commission on Security following a series of meetings by the working groups which had made textual changes within the criteria approved by the Cabinet Committee on Security and Intelligence (Security Panel Document SP-235 refers).

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Alterations, deletions or rewording of the text were contained in the Appendix to SP-235. After discussion, the Security Panel agreed to accept the textual alterations set out in Sections B, C and D of the Appendix under the following heads:

- "B. Emendations Made to Correct Demonstrable Errors of Fact
- "C. Deletions or Alterations Within Criteria
- "D. Other (six items requiring either further clarification or checking within other Governments to ensure accuracy)."

Such textual changes were considered likely to be acceptable to the Royal Commissioners, as they were all relatively straightforward, readily justifiable, comparatively few in number and not of an order to distort the main lines of the Commissioners' thought or their recommendations.

As stated in the memorandum, the working group had been unable to resolve, despite lengthy discussions, the items set out in Section "A" of the Appendix under the main head "Matters Unresolvable by Working Groups", and with the following sub-heads:

- "I. Separatism
- "II. Misrepresentation
- "III. Government Policy not Revealed in Past - Criterion (vi)
- "IV. Unresolved or Particularly Delicate Policy Matters - Criterion (vii)
- "V. References Damaging Canada's Relations - Criterion (i)

The Security Panel was therefore requested:

- "(a) to consider whether it is necessary or desirable to modify the references to Quebec Separatism in the draft publishable version

[and]

- "(b) to consider those matters pertaining to misrepresentation, government policy not hitherto revealed, unresolved or particularly delicate policy matters, and references which might be damaging to Canada's relations with friendly and allied countries, with a view to determining how such matters might appropriately be dealt with in a publishable version of the report ..."

Quebec Separatism

During the discussion, it was the consensus of the Panel members that the problems of Quebec separatism raised in the Royal Commission Report were predominantly within the realm of political, rather than security, concern. The Panel agreed that this general issue should be drawn to the attention of the Cabinet Committee on Security and Intelligence for ministerial consideration, together with the view of the Panel that only three courses appeared to remain open if the recommendation of the Royal Commissioners on this matter were not to be excised from a published version, an excision considered likely to be unacceptable to the Commissioners. These were:

- (a) to leave both text and the recommendation unrevised and to suggest to Ministers that nothing should be done about the matter, a course which the Panel members agreed they could not advise the government to follow;
- (b) to tolerate, in effect, a foreign intelligence operation in Quebec working against federal interest and to deal with it as with the Communist Party of Canada. Ministers should be reminded that certain elements which disturbed peace and order were a threat to security and should continue to be treated either as a police or a security problem depending on the nature of the activities known to be involved, as well as on knowledge as to whether such activities were directed from within Canada or from abroad by foreign powers;
- (c) acceptance, without alteration, of the recommendation in the Report.

The Panel agreed that the foregoing considerations should be drawn to the attention of Ministers, with advice from the Panel that the alternative at (b) above would be the most feasible and effective.

Misrepresentation

The Chairman said that the most difficult issue which the working groups had been unable to resolve was that part of the text supporting the Commissioners' recommendation for the establishment of a new civilian security service. He considered that it was the Panel's duty to make a recommendation to the Cabinet Committee as to whether the recommendation should be published or not; if, however, no unanimity could be reached at the meeting, it would be necessary to put this fact before Ministers and recount the arguments both for and against publication. Mr. Robertson thought that the government would wish to be in a position at least to reserve its judgement on implementation if the recommendation were published, whether the Commissioners endorsed the published version or not. His own view was that there was no way by which excision of the principal recommendation and the supporting arguments could be defended in public discussion without the Royal Commission's endorsement.

The Under-Secretary of State for External Affairs agreed that it would be next to impossible for the government to appear to suppress the recommendation, but that its publication simultaneously with a reasoned and reasonable rejection of it was a possible alternative. This would still leave the government open to Opposition criticism that, if the Commissioners were wrong in making the recommendation, it was the government itself which had appointed them.

Commissioner Lindsay and his officers argued strongly that paragraphs 52 to 58 inclusive, together with consequential misrepresentation through paragraph 64, seriously misrepresented not only the current recruiting and training policies of the Force bearing on personnel in the Directorate of Security and Intelligence, but also on the effectiveness of the Directorate as a security service. The R.C.M. Police considered that the arguments advanced in support of the

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recommendation in no measure provided an adequate basis for the establishment of a new civilian security service and, indeed, were in many instances either factually incorrect or related only to very limited aspects of the Directorate's range of activities, such as its investigative function in relation to security screening, but without reference to its counter-espionage and counter-subversion work, both of which were of significant importance. In view of this, the R.C.M. Police felt that the entire section, together with consequential misrepresentation in paragraphs 59 through 64 should be held in abeyance until their rebuttal paper could be considered by the Panel and, in the R.C.M. Police view, a more accurate factual assessment of the Royal Commission's judgements could be made by Ministers, bearing in mind the Panel's views.

The Chairman pointed out that the eventual position of the government could not depend solely on rectification of disputatious factual errors or misrepresentation in this portion of the Report; there would be, in addition, the necessity of considering the consequences of radical revision of the text to a point that the Royal Commissioners could not endorse the published version and the government would have difficulty defending a version disavowed by the Royal Commissioners. If, however, as the R.C.M. Police contended, the cumulative effect of the section of the Report leading to the recommendation of a new civilian security service was not factual and did misrepresent the position of the Force as a security service, there would be at the time of publication opportunity to point out shortcomings to Ministers in order to reject the recommendation and thus to preserve those recommendations which were of value and at the same time to avoid the damage to the existing security structure about which the R.C.M. Police were apprehensive, as were some other Panel members.

During the ensuing discussion, the following principal points arose:

- (a) It was considered likely that the government would consider it necessary to table a document which indicated that there had been something of particular value in the work of the Royal Commission. Such a document should leave the existing security service unimpaired both domestically and internationally (assuming that the main recommendation was not accepted). The document would not call the honour or integrity of the Royal Commissioners into public doubt, and it should be supported by a series of positive, alternative steps to improve the existing system, rather than the negative arguments so far put forward by the R.C.M. Police. If this were acceptable to the government, positive good effects could result: criticism of both the Royal Commissioners and the R.C.M. Police could be negated by being set in proper perspective, and the position of the government in subsequent debate would be far more tenable and defensible.
- (b) While there was a tendency on the part of a number of Panel members to agree with the R.C.M. Police view that serious misrepresentations did occur in the Report, a considerable number thought that the text presented judgements of the Royal Commissioners couched in terms of

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statements of fact and that this difference of outlook was for Ministers to resolve, pointing out that the other alternative would be, in effect, to rewrite the disputed paragraphs. It was thought that Ministers, once in possession of the R.C.M. Police commentary on factual errors, omission of pertinent information and on cumulative misrepresentation, would be in a reasonable position to examine the issues and agree on the need for a simultaneous policy statement on the main recommendation.

- (c) Some members of the Panel saw the inconsistencies and inadequacy of some of the opinions and arguments in the Report as a positive tactical advantage, if published: They could be seen as self-defeating, not a wholly consistent basis for the recommendation for a new civilian security service and readily be rebutted by a simultaneous policy statement countering the recommendation and indicating alternative concrete steps to be taken to bolster the existing security service and structure by more practicable steps than anything suggested in the Report.
- (d) The R.C.M. Police contention that specific differences of view in paragraphs 52 through 58, and the consequential misrepresentation up to and including paragraph 64 and the recommendation at the end of the Report merited consideration of alternatives to publication - such as a White Paper in lieu of a publishable version of the Report. However, the consensus of the Panel members - generally in favour of the apprehensions of the R.C.M. Police - was that the text, altered as minimally as possible would serve the security service in the best long-term way, although it might result in short-term tactical disadvantages.

After further discussion the Security Panel agreed that the various arguments set forth above be brought to the attention of Ministers for resolution.

Government Policy not Revealed in Past - Criterion (vi)

The Chairman noted that the general question in relation to the individual items raised under this head was whether there was any real objection to publication of the information in the form in which it was presented in the draft, notwithstanding the fact that no comparable amount of similarly detailed information had been made public previously.

After discussion, the Security Panel agreed that

- (a) particularly in relation to the extracts from Cabinet Directive No. 35, relating to procedures for investigation and security clearance, including specific criteria for judgement in the latter instance, Ministers should be advised that the Panel saw no security objection to publishing these portions of the Cabinet Directive so long as they were not identified as such. Ministers should be reminded of the vote in the House of Commons, during a debate in 1964, which defeated an Opposition motion for the tabling of

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this and related security directives on the grounds that it would not be in the public interest for such information to be published;

- (b) the guidelines in relation to immigration security could remain in the draft text without risk to security;
- (c) that portion of the text pertaining to citizenship and related security procedures could, as well, remain in a publishable version without risk to security;
- (d) extracts from the preface to the booklet entitled "Security of Information in the Public Service of Canada" on basic principles, and from the body of the text with regard to the principles of classification could safely remain in a publishable version, provided they were couched in less specific terms, alteration to this end to be undertaken by the Security Panel Secretariat;
- (e) a minor alteration should be made to that portion of the text dealing with telephone interception and electronic eavesdropping to remove, as some members felt there was in the current wording, any implication that the Canadian security service now engaged in such activity.

Unresolved or Particularly Delicate Policy Matters -
Criterion (vii)

The Panel noted the concern expressed at one of the meetings of the working groups that the part of the text dealing with problems posed by Chinese immigrants was potentially explosive. The Panel agreed that the text could not be altered radically without affecting the related recommendations which were outside the authority of the Panel to alter, but that minor amendment would not raise this issue.

References Damaging Canada's Relations - Criterion (i)

The Panel noted the concern expressed by some members of the working groups with regard to the references in the draft to the "oral tradition" developed by Swedish officials as a way around the constitutional theory that all state documents are public and, after discussion, agreed that the text should be revised to exclude such references.

Other Modifications

The Panel noted the desire of the Department of External Affairs to obtain the views of the United States government in regard to the accuracy of a few statements in the draft publishable version on procedures and practices in that country, and that U.S. comment was expected to be available well before the text would go before the Cabinet Committee.

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The Panel agreed that minor textual modifications, not considered by the working groups, should be made to make more current the position of the Department of External Affairs in relation to allowing access to departmental files containing British information, as the British structures had altered since the Royal Commission originally reported.

D. Beavis,
Assistant Secretary.

Privy Council Office,
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