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APPENDIX "D"

GOVERNMENT POLICY AS REGARDS THE REPORT OF
THE ROYAL COMMISSION ON SECURITY, ISSUED
SEPTEMBER, 1968

The Government of Canada is deeply grateful to the Royal Commissioners, Messrs. M. W. MacKenzie, Yves Pratte and M. J. Coldwell, P.C., for having undertaken the heavy burden of making a full and confidential inquiry into the operation of Canadian security methods and procedures and for having reported thereon within two years.

The Government agrees that the protection and security of the Nation's information - and that provided in confidence by other nations - is one of the basic responsibilities of the State.

The Commission has underlined that "Canada remains the target of subversive or potentially subversive activities, attempts at infiltration and penetration, and espionage operations" conducted by certain countries; in addition "Canada can be used as a base for operations against other countries, and especially the United States".

Against this background, the Commission reiterates "the duty of the state to protect its secrets from espionage, its information from unauthorized disclosure, its institutions from subversion and its policies from clandestine influence". It indicates that what can be in dispute are the ways and means used by the state to discharge its responsibility "in an area which can touch closely upon the fundamental freedoms of the individual". The Commission also expresses its opinion that security procedures must be designed to acquire a background of intelligence and to screen personnel who may constitute a risk to the state by entering it, becoming citizens and seeking employment with the Government or its agencies.

The Commission considers that the present "Canadian security structure is diffuse, and consists of a number of disparate elements . . .". With this view, the Government agrees.

The Government takes the view that there should clearly be one Minister, other than the Prime Minister, shouldering the main responsibility for security matters. This Minister and the Head of the Security Agency should continue to have direct access to the Prime Minister who has the ultimate responsibility for security matters. In addition, there should continue to be (at the ministerial level) a Cabinet Committee to advise the Government on the formulation of security policies and the issuance of directives and regulations in that field. This Committee should meet more often than in the past. The Security Panel should advise the Cabinet Committee and the Minister on the co-ordination of the planning, organization and execution of security measures affecting all departments and agencies and on such other security matters as are referred to it. The Government believes that the Minister responsible for security - through a permanent secretariat and with the aid of the Security Panel - should take such steps under policies established by Cabinet to monitor the formulation, and audit the implementation, of security measures throughout the Government in collaboration with the individual departments and agencies.

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The Government believes that the Directorate of Intelligence and Security of the Armed Forces should continue its operations much as now directed towards the military defence of Canada, and that it should screen its prospective armed services personnel and monitor its own military security arrangements. There should continue to be the closest collaboration between the Minister of National Defence and the Minister responsible for security matters, as well as between the Directorate of Military Intelligence and the Security Agency, to ensure such uniformity of procedures as will achieve Canada's total security consonant with the fundamental rights of the individual.

Much has been said in the Report about the main federal internal security service, the Directorate of Security and Intelligence of the R.C.M.P. The Government's view is that this Directorate has performed over the years those duties assigned to it by Cabinet and Governor-in-Council regulations with commendable zeal and efficiency. Few organizations in the world have earned such a high reputation for thoroughness, impartiality and fairness as the R.C.M.P.

The very nature of security work - based on unverified information that must be thoroughly vetted, on the need to establish facts clearly and to protect sources - causes any security or police organization to be thorough, cautious and circumspect. If this were not so unverified data would be disseminated to the detriment of the individual and would be harmful to the security of the state. The fact is that, in the past sixteen years the R.C.M.P. processed manually over 4.2 million requests for security screenings and that, in the past twenty years, only five such cases have resulted in public criticism, one case only being based on error of fact. Through the development of technology, the R.C.M.P. have reached a high standard of sophistication not only in police work but in security and intelligence work. The Force is upgrading this capacity for itself and co-operating agencies as a result of decisions taken by the Government in the last few years. One example is the approval by Treasury Board, in April, 1969, for the immediate construction of a computer complex for the Force. Another is the inter-governmental arrangement, reached about 3 years ago, whereby the Canadian Police Information Centre interconnects all police forces in Canada and Interpol thus providing access to a large pool of data. This is an indispensable and ever-increasing complement to security work.

There is, however, a need for the R.C.M.P. to attract, train, and hold more, highly qualified people in security as in police work. Salaries now paid by the Force make this possible. For most of the last 35 years the R.C.M.P. have sent some of its members for further university training. This programme is continually expanding and over 40 of its members are attending university annually in addition to an intake of university-trained people into the Force or its civilian component.

The Royal Commission has concluded that it could not make any direct measurement of the effectiveness of the R.C.M.P. Directorate of Security and Intelligence in the fields of counter-espionage and countersubversion. The Commission had free access to these areas of the Force during two years. The Government feels it could have assessed this fundamental area with useful effect. However, the Commission seems to have dwelt more on security screening, on physical security of buildings and other aspects of security in the immigration, citizenship, passport, industrial security and like areas than on the basic and fundamental intelligence activities of the Force. Nevertheless, the

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Commission recommends that there be established a new, non-police Civilian Security Agency. Experience elsewhere in the world indicates that such agencies are relatively easier to "penetrate" by hostile intelligence services and thus to negate. As the Commission itself notes, "the risk of penetration could be greater" for such a new agency. It would, therefore, seem unwise to remove the police or Armed Forces "shield" from the security and intelligence agencies.

Considering all these factors the Government is therefore unable to accept the Commission's recommendation for the establishment of a new Civilian Security Agency. As a concomitant the Government considers that it has a duty to improve continuously the quality of the security services, to strengthen the quality of security in the departments and agencies (including temporary Commissions and Committees), to have security procedures inspected and audited on a continuous basis and to define more clearly the responsibility of deputy heads and top management for the security of government information and its handling.

This being said, the Government believes strongly that the conduct of public business must be as open as possible subject to the security of the State and the right of privacy of individuals. Accordingly, and on the basis that deputy heads of departments and agencies will play, under the monitoring of Ministers and especially of the Minister responsible for security, a greater role as regards the determination of the reliability of individual employees and the physical protection of buildings and records, the Government generally accepts the Recommendations of the Commission contained in Chapter IV of its report on "Security and the Individual" and proposes to establish a Security Review Board directly and specifically related to the protection of individuals.

As regards the Commission's recommendations on Immigration, Citizenship, Passports, Departmental Security and Security of Information, the Government accepts them generally subject to "classification" of security matters being discussed with Canada's close working partners. As regards passports, a number of the Commission's recommendations have already been implemented.

On the subject of Industrial Security, the Government does not share the Commission's views on the handling of security by that Department. It does not propose to transfer this area of responsibility to the Department of National Defence but it generally agrees with the other recommendations of the Commission on the continuing need to improve the standard of industrial security.

Finally, on the matter of physical, technical and communications security, the Government agrees in general with what the Commission reports on this subject and will consider ways and means of implementing its recommendations in such a way as to assure the security of the State and, as far as possible, the privacy and freedom of the individual.

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