

CONFIDENTIAL

MEMORANDUM TO MR. WALL:

The two factors which led the Royal Commission on Security to make the recommendation that the security service, in addition to a comment on the validity, relevance and importance of the adverse information that they provide, go a step further and make a formal recommendation on whether or not clearance should be granted, were the following:

- a) the Commissioners, as well as the Research Officers, having spent considerable time (particularly Mr. Pratte) in "A" Branch S&I examining individual files arrived at the inevitable conclusion that S&I did not do enough on its own initiative to assist departments in the interpretation of the adverse report/s submitted to them;
- b) the Commissioners, in the course of their travels to Britain and Australia, were impressed with the manner in which the British Security Services and the Australian Security Intelligence Organization reported their views officially to departments.

I don't honestly think that we need to copy all or part of either system. We have our own policy and our procedures should conform to that policy and our own particular style and character.

Since the publication of the Report, S&I have improved the presentation of their adverse reports by including a most useful comment on the validity, relevance and importance of the information provided. To enable them to take the next step in a realistic and useful manner, departments and agencies requesting security investigation services would have to justify each request by submitting a highly detailed account of all the duties and responsibilities of the individual on whom the enquiries are being requested with great emphasis on the particular areas that would involve him or her in sensitive matters. As desirable as

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this may be, I fail to see how we could ever achieve this in practice. I fear that if we were to take this final step, we would in fact promote adversary relationships between S&I and the departments, when in fact the success of any security program in a democracy must be based on understanding and cooperation.

Until we achieve a reasonable and useful degree of understanding and efficiency in the area of security across the Public Service, we will have to accept varied reactions to the receipt of adverse reports. There are those who tend to react spontaneously and harshly, others who are inclined to discard the report or attach little value to it and, the rare exception is the well-informed Departmental Security Officer who is sufficiently aware of his responsibilities that he will approach "A" Branch for discussion and clarification of the issues before he decides on a proper course of action. I am afraid that the effect of implementing the recommendation in the manner indicated in Starnes' letter would be one of intimidation resulting in a further alienation between "A" Branch and some of the more timid departmental agents. Of course we don't want that. On the contrary, whatever is decided in this connection should promote rapprochement and not alienation. I think that we have been rather glib on the question of departmental responsibility for the granting of security clearances. While it is true that departments and agencies create and act upon a clearance record of their own, it is relevant indeed to consider what made this possible.

All security investigations (except in the case of DND) are conducted by the R.C.M. Police. Approximately 98% of these are favorable to the individual and the originator is so informed in the briefest of manner, i.e. by rubber stamp applied to the Personal History Form or by means of a stereotyped form letter. The entire process is negative and does not provide the user of the service with any real basis for loyalty or character assessment. As a result, a clearance is granted in the most impersonal and bureaucratic way imaginable. This could hardly be called decision-making or the discharge of a real responsibility.

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If we are not considering changing the policy or the procedures concerning the granting of clearances on the minimum of standard, and I don't think that we need to do so at this time, what we are now considering in effect is the decision-making and the real responsibility for departmental decision in relation to the 2% of cases where an adverse report is prepared and submitted to the parent department by "A" Branch. Let us look at what happens to those cases and consider what effect, if any, an R.C.M. Police recommendation would really have.

In the course of the last quarter, April 1st to June 30th, 1971, S&I conducted 29,027 processes which resulted in a total of 284 adverse reports (156 loyalty - 128 character). From this total we should, in my view, subtract cases related to the Force's private requirements (55); DND which has considerable scope and ways to deal with adverse cases (55); Canadian Corps of Commissionaires applicants who are rejected summarily for sensitive employment if they do not "measure up" (37); and, finally, Citizenship applicants (19) who are not being considered for clearance. Also, for the purpose of this particular exercise, I would further subtract 12 cases "referred to PCO" which tie-in or appear to tie-in with separatism and on which we provide advice and guidance to departments and agencies. This, if my arithmetic is right, leaves 106 cases which would require consideration and decision by departments. Further, considering that I am approached probably less than a half-dozen times a month (excluding separatist cases "referred to PCO") to discuss specific cases with departments, I must come to the conclusion that the departments and agencies concerned, in order to sidestep the problem presented to them by the R.C.M. Police usually reply to the effect that the subject of the enquiries does not really need or no longer needs the clearance to the level originally considered or indicated in their request for investigation. For example, (I think you should find this rather interesting) in the last quarter of 1970, S&I submitted 276 adverse reports to 45 addressees, all of whom are responsible under C.D. 35 to report all

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action taken in adverse cases. Of these, only 10 reported - nine submitted NIL reports and the other, DND, reported denying access to two persons on the grounds of disloyalty. A reasonable question would be: "What happened to the 274 other cases?". I put the question up to S/Sgt. Maduk, who drafted Starnes' letter, and he replied that he had not been directed to look into this aspect of the problem. However, this seems to be the pattern. We have not received a sufficient number of quarterly returns in 1971 to prepare a useful summary.

As I have already said in an earlier paragraph, it would be highly impractical to require that departments and agencies submit highly detailed applications to justify security clearance enquiries and to make it possible for the R.C.M. Police to make a recommendation. On the other hand, I don't think that sufficient thought is generally given by departments and agencies to the implications of a request for investigation to TOP SECRET standard. To bring the number of such requests down to manageable and reasonable numbers, I would suggest that a standard application format be used. I initiated such a practice in the Army more than ten years ago and you will notice that A.S.I.O. does likewise. On the basis of the reason given for the request, the R.C.M. Police would then have an appropriate framework for its comments. Also, if we are to be serious about this, a personal meeting and discussion should take place between the appropriate authorities of "A" Branch and the DSO in all cases where the Force have indicated a strong doubt as to the wisdom of granting the clearance to the level indicated. I am quite certain that the necessity to prepare a suitable request and to indicate as forcefully as possible the need for DSOs to consult with the Force in all adverse cases considered serious by "A" Branch would result in a general reduction of such requests as well as a much better understanding of the real spirit of the policy as well as the amount of work involved in the field enquiry.

I think that you would agree that to use an application form to support the request for investigation to the minimum standard (SECRET and CONFIDENTIAL) would generate a lot of useless paper.

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However, an adverse reading resulting from a name check could also justify a request by "A" Branch for discussion with the initiating department.

To sum up, I believe that what I am recommending is much more in the spirit of the Royal Commission on Security's recommendation than the words indicated in the Report and what is indicated in Starnes' letter. I have drafted a tentative reply to Starnes for your examination, comments and/or approval.

P.A.L.

Attach.

Privy Council Office,
September 3, 1971.

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