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SECRET

- 4 -

10. The Secretary of State said that budget proposals should be combined, where possible, to reduce the number of items of legislation involved.

11. The Cabinet noted the remarks of the Minister of Finance concerning the budget to be presented on June 13th, and agreed that an opportunity be provided for further discussion at the next meeting.

Personnel Security Policy
(Previous reference June 4)

12. The Minister of Justice said that, following recent discussions in Parliament concerning security screening procedures, the Department of Justice had prepared a report on Security Review Regulations. This disclosed that in 1958 draft regulations had been prepared to deal with the review of decisions to discharge or to recommend the discharge of any employee on security grounds. These draft regulations, which were substantially similar to the British review system, were not adopted but might be suitable if review procedures were considered necessary. They were designed to apply to government departments and civilian employees of the R.C.M. Police and of the Armed Forces, but not to members of the R.C.M. Police and the Armed Forces for whom supplementary orders would be needed.

The draft regulations provided for a confidential inquiry to be made by a Security Review Board, if requested by the employee involved. Before the inquiry, the deputy minister of the department concerned must give the Board and the employee a document indicating, without risk of compromising the sources of security information, the nature and duties of the position in question, the security implications, and the nature of what was alleged about the employee. The principal steps in the procedure of the Board would be:

(a) to interview the departmental representatives alone and obtain the employee's employment record and other relevant information;

(b) to interview representatives of the government security service alone and examine all security information relating to the employee;

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AGC-2434_0001

SECRET

- 5 -

(c) to interview the employee alone and, as far as it could without revealing anything that would compromise sources of security information, give him an opportunity of answering what had been alleged concerning him; and

(d) to interview other persons named by the employee to testify on his behalf.

An explanatory memorandum had been circulated. (Minister's memorandum, June 5 - Cab. Doc. 76/63)

It was noted that the draft review procedure gave the employee no right to be represented by counsel or to cross-examine those presenting evidence against him. Mr. Chevrier said that it had been suggested that counsel might appear before the proposed Board to make representations on behalf of the employee, but not to cross-examine. The Secretary of State said that most personnel security cases involved applicants for government jobs or would-be immigrants. A denial of an application was not a trial, or a denial of a right, and the proposed review procedure would not apply to these cases.

Some Ministers felt that applicants who were rejected on security grounds should be told the reasons for their rejection and given an opportunity to challenge them. Others said that, if reasons were disclosed, the consequence would be to disclose sources of security information.

13. The Prime Minister said that policy in personnel security matters was of prime importance. The government should not act hastily because of the attention attracted by one particular case. The Cabinet Committee on Security and Intelligence should be set up and given the task of examining the present procedures before any decision was reached concerning review procedures. He had been told that the R.C.M. Police had prepared an exhaustive report on Communist subversion in Canada, and that the previous government had been considering making this report public. The Cabinet Committee should study this report. It was evident that the chief problem of personnel security now did not arise from ideological disloyalty but from the systematic use by the Russians of blackmail based on sex.

14. The Cabinet agreed with the recommendations of the Prime Minister,-

(a) that the Cabinet Committee on Security and Intelligence be set up immediately, to consist of,-

The Prime Minister, as Chairman,
the Minister of Justice,

SECRET

- 6 -

the Secretary of State for External Affairs,
the Associate Minister of National Defence,
the Minister of Defence Production,
the Minister of Citizenship and Immigration,

with the Minister of Finance and the Minister
of National Defence attending as required;

(b) that the committee examine the problem of
personnel security in the public service and
Armed Forces, and consider, in the light of
this study, what provision might be made for
the review of security decisions.

Judges Act; amendments respecting numbers

15. The Minister of Justice said that a Bill
should be introduced at the present session of Parliament
to amend the Judges Act to provide salaries for additional
judges, as a result of provincial legislation creating
new judicial offices as follows:

- (a) one judge of the Supreme Court of Newfoundland;
- (b) two judges of the Supreme Court of Nova Scotia,
including a Chief Justice;
- (c) one judge of the Queen's Bench Division of
the Supreme Court of New Brunswick
- (d) eight judges of the Quebec Superior Court;
- (e) one judge of the Court of Queen's Bench of
Saskatchewan;
- (f) one justice of appeal of the Supreme Court
of Alberta; and
- (g) one judge of the Court of Appeal of British
Columbia.

An explanatory memorandum had been circulated.
(Minister's memorandum, June 4 - Cab. Doc. 75/63)

16. During the discussion the following points
were raised:

(a) The additional appeal judge in British
Columbia was not needed. The provincial government
had wanted the Chief Justice of the Court of
Appeal to conduct an inquiry and had been able to
secure his agreement only by undertaking to
provide another judge for the Court. Despite
the fact that one of the present puisne judges
was unable to perform any duties, the court was
not overloaded. On the other hand, there was a
need for an additional trial judge in the Superior
Court. Provincial legislation had been enacted to