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April 19th, 1977.

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MEMORANDUM FOR MR. ROBERTSON

Briefing Notes: ICSI Meeting
21 April, 1977

1. Homosexuality, the Public Service
and National Security

The document suggests for consideration a paper setting out "guidelines", which could be supplied to departments (either on request, or on a service-wide distribution) to assist them in making judgments on granting security clearances where homosexuality is a factor. The guidelines are intended to be applicable within the policy framework of CD 35 and the pending revision - although three of them might be considered to go beyond that authority: Guideline 2: denial of access to the higher levels of classified information; Guideline 4: denial of employment in rotational service abroad; and Guideline 7: advice concerning employment in certain positions where access to classified information is not involved. Members may question whether a committee of officials has the authority to issue guidelines which might seem to go beyond the policy approved by Cabinet.

As you know, External Affairs have been pressing for guidance on this matter as they have some difficult cases to deal with and there is a possibility that if dismissal is proposed there may be recourse to the Public Service Security Inquiry Regulations. The R.C.M. Police and National Defence as well as External, favour the approach taken in the document. On the other hand the Public Service Commission stresses that "security and employment attitudes with respect to homosexuality must be brought into step with the times" and urges "that every possible step be taken to ensure that employment opportunities for homosexuals are not jeopardized for reasons of social or personal bias alone". Mr. Edwards will be attending for the PSC, and he will likely argue that restrictions on employment of homosexuals be as limited as possible. The PSC criticized in particular that part of the guidelines concerning denial of employment in a position where future access to classified

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information might be required. The Commission's Anti-Discrimination Branch will probably see Guidelines 2, 4, and 7 as discriminatory.

As you know, Mr. Basford is concerned about the criticism of the "exemptions" in the human rights legislation, and about pressure to include "sexual orientation" in the proscribed grounds of discrimination (where discriminatory practices are forbidden). Even if this inclusion is not effected, I think any restriction set out in an administrative directive will be increasingly challenged and Ministers and officials will likely be increasingly called upon to provide reasonable justification.

2. Intelligence Advisory Committee Review of 1976 and Prospects for 1977

This is the second annual report of the Intelligence Advisory Committee (an earlier review of intelligence was prepared for and considered by the Cabinet Committee on Security and Intelligence in 1975). There is no specific requirement from the ICSI or Cabinet for an annual report but the IAC considers it a useful review and planning exercise and a means of informing ICSI of its activities (para.(c) in the IAC Terms of Reference, copy attached).

The report seems unlikely to be controversial. It identifies resource problems, particularly in personnel for the economic intelligence function at the Special Research Bureau (SRB). The only activity involving increased expenditure is intended to provide improved secure communications. This is still in the planning stage and will, after consideration by the IAC, become part of the normal departmental budget and programme forecast procedures.

The Chairman of IAC, John Hadwen, will be present to speak to the report. He will probably seek views of members on the IAC's performance.

ICSI last considered intelligence activities in October 1976, when the functioning of the Special Research Bureau was reviewed and Hadwen may also report on progress in implementing the Committee's decisions. These included a requirement for a report, in three months, on the functioning of the Bureau in its new context (integration into DEA and establishment of a new Economic Intelligence

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Committee) and on procedures for review of its effectiveness. Establishing the new committee took longer than expected but it is now in operation. The report, requested by the ICSI, on the Bureau's operations and procedures for reviewing its effectiveness, will be available soon. You might want to ask members' views on whether this report should be a subject for a meeting or simply circulated for comment.

3. Security Clearance Procedures
and "Client Personal Data"

Mr. Gotlieb wrote to you requesting ICSI guidance on the security status of certain information that is supplied to Manpower and Immigration through completion of forms (relating to such subjects as educational history, work history, veteran preference, pregnancy status, income tax). Mr. Gotlieb suggested that, while such information should be protected, it is not "classified" information as defined in the PCO guidelines of 1956. In your reply to his letter you agreed that the ICSI should consider the matter.

The memorandum to the ICSI asks that consideration be given to directing that "client personal data" which would be made available by completion of forms (attached to the memorandum) does not require classification under the 1956 guidelines. (It refers also to the SAC review of the classification system, on which a report to the ICSI will be made shortly.)

I would think there should be general agreement on this matter. Manpower and Immigration are anxious for a decision before the legislation concerning reorganization of the department is approved.

Mr. Gotlieb cannot attend and will be represented by Mr. J.H. Landriault, Assistant Deputy Minister (Personnel). You may want to call on him to speak to this item.

DWH.

D. W. Hall.

Privy Council Office,
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