

DRAFT

APPENDIX "A"

CIRCULAR NO. _____

SECRET

CABINET DIRECTIVE

Security Investigation of Government Employees

Cabinet Directive No. 4 of March 5, 1948, which was supplemented by Cabinet Directive No. 4A of April 6, 1948, explained the policy of the government about security of persons employed or seeking employment in the civil service or Government agencies. Experience since the directives were issued has shown that certain modifications in procedure and policy are desirable. The present directive supersedes Nos. 4 and 4A.

I. Policy

General Principles

1. It is of the greatest importance in present conditions to ensure that employees of the Government are completely trustworthy. Reliability from a security standpoint is an essential qualification for employment by the Government.

2. Determination of the loyalty and trustworthiness of a person is not easy. There are no precise standards or any simple tests that can be applied. In the present state of affairs it must be taken as a rule that continuing membership in or active association with the Communist party ^{or communist-dominated organization} disqualifies an applicant for employment in the Public Service. It is a conclusive argument against the employment of any person already in the Service in any work where he may have access to classified material. It may make continued employment of any sort undesirable.

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3. Cases involving known membership in the Communist party are likely to be few and will generally be the least troublesome to decide. In most cases, the assessment of reliability is more difficult. Previous membership in or active association with the Communist party ^{previous} ^{or with communist-controlled organizations} must always raise serious doubt about the employment of a person. It is known that in some cases apparent termination of communist association is simply a device to facilitate further or later pro-communist activities. However, former Communists have in many cases abandoned their association entirely. They may be completely disillusioned with communism and quite trustworthy. ~~The records and~~ ^{relevant} ~~all attending~~ circumstances must be examined to determine how any specific decision should be made. Similar considerations apply to present and past membership in or active association with any organization which advocates the use of force without the authority of law to effect the overthrow of the government of Canada or of democratic institutions as they are understood and practised in Canada.

4. The considerations that have been mentioned are obviously not exhaustive of the type of association and background that has to be taken into account. Moreover, traits of character, temperament or personality may render a person incapable of being relied on in positions of trust. They may or may not be impediments to other employment. Altogether the problem is as complex and difficult as it is unwelcome and unpleasant. It is, however, one that has to be kept constantly in mind and met as far as possible.

Vulnerable Positions

5. ~~In Directive No. 4~~ Some departments and agencies were listed as "vulnerable", because they normally deal with highly classified matters. In other departments or agencies

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where matters of a highly classified nature are dealt with only by a few individuals or by certain divisions or sections, the appropriate divisions, sections or positions will be designated as "vulnerable". ~~For all "vulnerable" places special precautions must be taken to ensure that employees are trustworthy from a security standpoint.~~

Applicants for Employment in the Public Service or Crown Agencies

6. If the Civil Service Commission ^{decides} believes, after investigation and assessment of all the ^{information available} facts at hand, that an applicant for employment in the Public Service is or is likely to prove untrustworthy from a security standpoint, the applicant shall be refused employment, notwithstanding that he may be otherwise qualified.

7. Even though a prospective employee may have been cleared for security by the Civil Service Commission, the Deputy Head of the employing department has the ultimate responsibility for the security of his department and must not accept the ^{applicant} employee if, in his considered opinion, there are any factors which may render the ^{applicant} employee a security risk. The responsibility of the Civil Service Commission is final only in a negative sense. No one can be employed whom it does not pass for security. But the fact that the Commission passes an applicant does not remove the ~~final~~ responsibility of deputy heads for all appointments to their departments.

8. In the case of applicants for employment in Crown agencies not operating under the Civil Service Act, if the Head of the agency ^{decides} believes, after investigation and assessment of all the facts at hand, that an applicant is or is likely to prove untrustworthy from a security standpoint, the applicant shall be refused employment.

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Persons already Employed in the Public Service (or Crown Agencies).

9. If the Deputy Head of a department or Head of an agency ^{decides} believes, after investigation and assessment of all the ^{relevant} ~~facts at hand~~, that a person already employed in his department or agency in a "vulnerable" position or section is or is likely to prove untrustworthy from a security standpoint, steps shall be taken to ^{transfer} ~~have~~ that employee transferred to another position in which he ^{will not} ~~cannot~~ have access to classified material, or to ^{separately} ~~have~~ him dismissed if no suitable position can be found.

10. In the case of a temporary employee eligible for permanent status in the public service, it is the responsibility of the department to see that his case is reviewed for security before he is recommended for permanency. ~~In any case~~ ^{or a vulnerable position} where the employee cannot be passed as trustworthy from a security standpoint, the provisions of paragraph 9 apply. In ^{no} ~~any such case~~ ^{shall} the Deputy Head ~~shall not~~ recommend the employee for permanency as long as his security status remains in doubt.

General Application of the Policy ^{concerning emp. for security}

11. There is no system of security investigation which can ensure that persons will not get into the Public Service who are unreliable, who may have designs against the state or who may be used for purposes that are ^{prejudicial} ~~hostile~~ to the national interests. Moreover, a person who has been ~~quite~~ properly cleared for security at the time of appointment or after may, at some later time, become an ~~active~~ security risk. In view of this, it is essential that Deputy Heads of all departments and heads of all agencies should be continuously aware of the possibility that threats to security may arise. ~~They~~ should see that security regulations are preserved and also that there is a constant effort to ensure that subversive

or unreliable persons do not gain entry to their departments or agencies, or, if in, are not permitted to remain in any places of trust. Heads of sections and other personnel in departments should be impressed that they too have a continuing responsibility for security.

12. Should it become necessary or advisable for the Government, at any time, to make a public statement concerning the methods used to carry out the security investigation of Government employees, the announcement will be restricted to a statement of broad principles along the following lines:

"The Government is acutely aware of the problem of security and is discharging its responsibility to ensure the safety of the State without interfering with the traditional principles of just treatment. Loyalty is an essential qualification for employment by the Government. While loyalty is not susceptible to any precise series of tests steps have been taken to ensure that no persons whose reliability is doubtful are admitted to the Public Service and that any such persons already in the Service are placed in occupations where they can cause no injury. If that is not possible, they are removed from the Public Service. The responsible officials in all departments and agencies have been made aware of the Government's policy and of their individual responsibilities in carrying it out".

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13. Departments and agencies, and the Civil Service Commission, if required to state reasons for transfers or dismissals which may, at any time, be effected under the policy stated in this directive, will, ^{should not} ~~if possible~~, explain ^{the action taken} ~~their actions~~ ^{on security} ~~on grounds of personal unsuitability or by reference to some administrative procedure (e.g., curtailment of staff), rather than on security grounds.~~ It may, however, be impossible in some cases to avoid admission that action has been made necessary because of belief that the person cannot be relied on. No such explanation should, however, be given without the approval of the Chairman of the Security Panel. In all cases every effort must be made to avoid compromising sources of information bearing on individual cases. ^{the directive applies to}

14. ~~In the interpretation of this policy, members of the Armed forces are to be considered as employees of the Government of Canada in the same sense as civilian employees.~~

II. Procedures

Designation of Vulnerable Departments and Agencies

15. It is the responsibility of the Deputy Head of each department and the head of each agency to review the organization and functions of his department or agency and determine whether to recommend to the Security Panel ^{that} ~~whether~~ any part of his department or agency should be ^{designated} ~~classified~~ as "vulnerable" within the meaning used in this directive.

16. The Security Panel may approve, in whole, or in part, or reject recommendations by Deputy Heads, or heads of agencies, as to "vulnerable" classifications. The Security Panel may, if it considers it necessary, designate departments and agencies, or sections or divisions thereof, or positions therein, as "vulnerable" without specific recommendations to such effect by the Deputy Head or head of an agency.

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Security Investigations

17. New employees

Under the terms of the Civil Service Act, the Civil Service Commission are required to satisfy themselves as to the character and habits of persons appointed by them to positions in the Public Service. Security clearance of new employees will be subject to the following rules:

- (i) All persons selected for positions in the Public Service, whether in a temporary capacity or otherwise, must be cleared for security on the basis of a negative file check before appointment to a "vulnerable" position and, in every other case, before confirmation in a permanent position in the Public Service. It will be the responsibility of the Civil Service Commission to arrange for the necessary file checks in all cases covered by this clause, and to furnish the employing department with satisfactory documentary evidence that a file check has been made,
- (ii) All persons selected for positions in Crown agencies must be cleared for security on the basis of a negative file check before appointment to a "vulnerable" position and, in every other case, within three months after appointment. It will be the responsibility of the head of the agency to arrange for the necessary file checks.
- (iii) Where any person coming under the provisions of paragraphs (i) and (ii) has not had a minimum of five years consecutive satisfactory service in the Public Service, or the Armed Forces, or in both together, immediately prior to appointment to a "vulnerable" position, the Civil Service Commission or the Deputy Head of a department or head of an agency, as the case may require, will initiate action to have a field investigation of the employee. No such person shall be regarded as cleared for security until the field investigation has been completed.

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18. Persons already employed

All persons employed in "vulnerable" departments or agencies must be cleared for security by either:

- (i) a certificate by the Deputy Head (or head of an agency) based on a negative file check and a minimum of five years satisfactory consecutive service in the Public Service, or the Armed Forces, or in both together; or, by,
- (ii) a field investigation, if the employee cannot be certified under paragraph (i).

All persons employed in "vulnerable" departments or agencies as of the date of this directive must be certified or made subject to field investigation in accordance with the procedures outlined in paras. (i) and (ii) if they have not already passed a field investigation.

Liaison with the R.C.M. Police

19. In the case of large departments and agencies, such as National Defence, the priority according to which security investigations will be carried out may be agreed between the department or agency concerned, the Civil Service Commission (where applicable) and the R.C.M. Police. (This does not limit in any way the right of the Armed Forces to undertake additional enquiries to supplement the work of the R.C.M. Police).

20. It will be the responsibility of the Security Panel to establish priorities when any question arises as to the order in which security investigations are to be carried out as between departments and agencies.

21. Normally, the Civil Service Commission will provide the necessary liaison between departments operating under the Civil Service Act and the R.C.M. Police, both in initiating enquiries and in distributing reports. However, this does not preclude direct contact between Deputy Heads (or departmental Security Officers acting on their behalf) and the R.C.M. Police for discussion of individual cases reported upon.

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22. Agencies not under the jurisdiction of the Civil Service Commission (e.g., Crown Companies) may deal directly with the R.C.M. Police when initiating security enquiries.

23. If the Civil Service Commission or the R.C.M. Police consider that an application for a field investigation is being made unnecessarily, either because the person could and should be certified under paragraph 18(1) or because the position involved has not been classified as "vulnerable" they may so inform the Deputy Head or head of an agency. If agreement cannot be reached, the matter shall be referred to the Chairman of the Security Panel.

24. It is the responsibility of each Deputy Head, or head of an agency, to nominate a competent senior official to act as Security Officer, and to notify the Secretary of the Security Panel, of the appointment and of any subsequent change. The person so named will be responsible to the Deputy Head or head of an agency for ensuring that all regulations relative to security are carried out within the department or agency. It will also be the responsibility of the departmental Security Officer to maintain close liaison with the Government agencies responsible for security policy and procedures.