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SECURITY SUB-PANEL

The 18th meeting of the Security Sub-Panel was held in the Privy Council Committee Room, East Block, on Friday, May 11th, 1956, at 10:00 a.m.

PRESENT

Mr. P.M. Dwyer	(Chairman)
Privy Council Office	
Mr. G.G. Crean	
Department of External Affairs	
Colonel E.S. Tate	
Department of National Defence	
Mr. L.C. Cragg	
Department of Defence Production	
Superintendent K.W.N. Hall	
Royal Canadian Mounted Police	
Mr. J.A.K. Abbott	
Department of Citizenship & Immigration	
Mr. D.F. Wall	(Secretary)
Privy Council Office	

ALSO PRESENT

G/C A. Walmsley  
Department of National Defence  
(for Item I)

I. Application of U.S.A. Security  
Regulations to Canadians in Canada

1950-6

The Sub-Panel had for consideration a memorandum from the Director of Air Force Security which had been submitted to the Joint Security Committee setting out a number of incidents which had occurred between United States servicemen and Canadian civilians which indicated the need for an agreement between Canadian and United States authorities regarding the security regulations applicable at U.S.-manned bases in Canada.

(Security Sub-Panel Document SSP-69 refers).

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2. The Chairman explained that there was no clear agreement between Canada and the United States on their respective spheres of responsibility for security at American bases in Canada, and requested that, as this was a matter of policy, the Sub-Panel give the problem preliminary consideration with a view to setting it before the Security Panel for appropriate recommendations.

3. During the ensuing discussion, the following points emerged:

- (a) that, as this was a matter that concerned not only the RCAF but also the other armed services, the R.C.M. Police and the Department of Defence Production, there appeared to be a need to establish a firm and consistent security policy to be agreed with United States officials in Canada;
- (b) that the primary necessity was for an agreement on the principles involved, followed by detailed agreements on the necessary procedures in each field of interest;
- (c) that there appeared to be a need for a single United States liaison office in Canada through which all joint questions of security procedures could pass; and
- (d) that the Permanent Joint Board on Defence appeared to be the most appropriate body in which to have the whole matter considered at an effective level.

4. After further discussion, the Sub-Panel approved the the above points and recommended:

- (a) that members of the Joint Security Staff, the R.C.M. Police and the Department of Defence Production be asked to prepare a draft agreement on Canadian-United States security regulations applicable to U.S.-manned bases in Canada;
- (b) that the draft agreement should be:
  - (i) a two-part agreement, dealing first with principles, then with more detailed procedures;
  - (ii) consistent with Canadian security policy and with existing inter-governmental agreements on related subjects;
  - (iii) based upon legal advice where necessary;
  - (iv) such that appropriate distinctions are drawn between U.S.-leased bases and other U.S. sites in Canada; and

- (v) made with due regard to Canadian sovereignty.
- (c) that the draft agreement be submitted to the Security Panel for consideration, together with a recommendation that a final joint agreement then be sought through the Permanent Joint Board on Defence; and
- (d) that, as an interim measure at least, the Chairman, with appropriate help from the Director of Industrial Security and the Director of Air Force Security, be asked to meet with Brigadier-General James C. Jensen, Chief of the United States Air Force Central Coordinating Staff, Ottawa, with a view to having the
- [REDACTED]

II. Security Significance of Relatives in Iron  
Curtain Countries - Case of [REDACTED]

1950-12

5. The Sub-Panel had before them a letter from the Director of Industrial Security describing the case of a teletype maintenance operator employed by [REDACTED], whose [REDACTED] had advised the Director of Industrial Security that, as this person was exposed to messages passing through the Canadian military camp at Gagetown, New Brunswick, they felt they could not continue his employment unless he could be cleared for security.

(Security Sub-Panel Document SSP-68 refers).

6. The Sub-Panel was asked to consider whether a person about whom there was no adverse trace in the R.C.M. Police subversive records, and who was very competent and reliable in his work, could be denied his chosen type and place of work because certain of his relatives reside in an Iron Curtain country, and to offer appropriate advice to the Department of Defence Production.

7. The Director of Military Intelligence stated that he had been informed by the Director of Signals that a teletype maintenance operator employed by the [REDACTED] could not possibly have access to classified information in the normal course of his duties, and suggested that there appeared to have been a misunderstanding of the nature of these duties by the person's employers.

8. After further discussion, the Sub-Panel recommended that the Director of Industrial Security be asked to inform the [REDACTED] that this person's duties did not require a security clearance, and to attempt to ascertain why the request for clearance was made.

III. Security Policy

1950-12

9. At its 17th meeting the Security Sub-Panel discussed a draft paper setting out certain points for and against the dismissal of communists from the Public Service of Canada whether or not they had access to classified information. The Sub-Panel agreed at that time to ask the Secretary of the Security Panel, the Officer-in-Charge/Special Branch, R.C.M. Police, and members of the Department of External Affairs to discuss the problem in greater detail and prepare a second draft document making recommendations which the Sub-Panel could consider forwarding to the Security Panel. The Sub-Panel had before them the second draft document:

(Security Sub-Panel Documents SSP-65 and SSP-67 and Item IV of the Minutes of the 17th meeting of the Security Sub-Panel refer).

10. The Chairman reviewed the reasons for preparing the document under consideration and stated that, because of the recent initiation of a "soft" period in international relations by the Soviet Union, there was reason to believe that espionage and political penetration by the Russians would probably be intensified in the coming years. This change in tactics required a reconsideration of Canadian security policy, particularly in its relation to the employment of communists and communist sympathizers in the Public Service of Canada. He stated further that any decision to dismiss communists from the public service, whether or not they had access to classified information, could not be justified without the establishment of standardized controls through a review or appeal system, and that the present draft document had been prepared on this basis. Members of the Sub-Panel were asked to give their views on the draft paper before them.

11. During the detailed discussion that followed, the following points emerged:

- (a) that there appeared to be a considerable danger in the coming decade of communists and communist sympathizers rising to positions in the public service in which they would be capable of influencing departmental and hence to some extent government policy, even though they were not permitted access to classified information;
- (b) that the danger appeared to lie not so much in the advancement to such positions of known communists and communist sympathizers, who could be observed and to some extent controlled, but of disloyal persons whose sympathies will be carefully concealed from the Canadian government;
- (c) that the present draft paper did not meet this problem as it limited its recommendations to known communists whom it would be difficult to define for practical purposes;



- (d) that, in view of the extreme difficulty of deciding which persons ought to be dismissed, or possibly prevented from rising beyond a certain point in the public service, an attempt should first be made to assess the proportions of the threat within the service at present; and
- (e) that, except in the case of members of the armed services and the R.C.M. Police, there now appeared to be a need to establish a central system of review before any dismissal on security grounds.

12. The Sub-Panel agreed:

- (a) that the problem before them was so complex that an additional week of review would be necessary, and that the subject would be re-discussed at a meeting to be held on May 18th; and
- (b) that the Officer-in-Charge/Special Branch, R.C.M. Police be asked to have the subversive indices of the R.C.M. Police searched in an attempt to ascertain the numbers of persons at present in various branches of the public service who were associated with the communist movement.

IV. Visit by the Secretary to the United Kingdom

1950-12

13. As requested at the 17th meeting of the Security Sub-Panel, the Secretary tabled for the information of members of the Sub-Panel a report on his conversations with United Kingdom officials on the wider security significance of recent changes in Soviet foreign policy and on the system of appeals used in the dismissal of communists and communist sympathizers from the public service of the United Kingdom.

(Security Sub-Panel Document SSP-70 refers).

14. The Sub-Panel noted the paper under reference.

D.F. Wall,  
Secretary of the Security Sub-Panel.