

CONFIDENTIAL

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SECURITY PANEL

The 62nd meeting of the Security Panel was held in the Privy Council Committee Room, East Block, on Tuesday, March 12, 1957, at 2:30 p.m.

PRESENT

Mr. R.B. Bryce	(Chairman)
Secretary to the Cabinet	
Mr. F.R. Miller	
Deputy Minister of National Defence	
Lt. Col. Laval Fortier	
Deputy Minister of Citizenship and Immigration	
Mr. D.A. Golden	
Deputy Minister of Defence Production	
Commissioner L.H. Nicholson	
Royal Canadian Mounted Police	
Mr. R.M. Macdonnell	
Deputy Under-Secretary of State for External Affairs	
Mr. P.M. Dwyer	(Secretary)
Privy Council Office	

ALSO PRESENT

Mr. G.G. Crean	
Department of External Affairs	
Inspector K.W.N. Hall	
Royal Canadian Mounted Police	
Mr. L.C. Cragg	
Department of Defence Production	
Mr. D.F. Wall	
Privy Council Office	

I. Membership of the Security Panel

NSC 1950-22-8

The Chairman suggested that when the new Chairman of the Civil Service Commission was appointed it might be advisable if he were invited to become a member of the Security Panel in order that the Civil Service Commission, which had extensive interests in security problems generally, could be more

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closely linked to the work of the Security Panel. In addition he pointed out that if the Civil Service Act were to be revised it might be considered desirable for the revision to contain some suitable reference to security policy.

2. The Panel welcomed the suggestion and agreed that the new Chairman of the Civil Service Commission should be invited to sit as a member of the Panel.

II. List of Communist-Controlled Organizations in Canada

NSS 1950-19-6

3. The Panel had before them three lists of communist and communist-controlled organizations within Canada, some of which had been discussed at a previous meeting. The lists had been requested by the Department of External Affairs as a guidance for its posts abroad. The Department of External Affairs proposed that whenever an applicant for a non-immigrant visa was sponsored by one of these organizations his application would be referred to Ottawa for a decision.

(Security Panel Document SP-183 refers).

4. The Commissioner of the R.C.M. Police pointed out that the list now contained a number of trade groups which were largely communist-controlled. He said, however, that the inclusion of these groups was a delicate matter since the extent of the control was sometimes marginal and since labour organizations had themselves done much to free themselves of communist infiltration. As a result, he requested that the names of trade organizations listed at the head of page 3 should be treated with particular care.

5. The Deputy Minister of Citizenship and Immigration requested that the lists be made available to immigration officers abroad as a guidance in handling requests for non-immigrant visas.

6. In view of the Commissioner's cautionary remarks the Security Panel agreed to ask the R.C.M. Police to produce a modified version of that part of the third page of the list which was concerned with trade organizations, in order that the list as a whole could be given to immigration officers and might also be used as a guide for departmental security officers. The full list, however, would be given to the Department of External Affairs on the understanding that the list of trade unions should be treated with particular care.

III. Application of U.S. Security Regulations to Canadians in Canada

1950-2-1

7. The Panel had before them two draft agreements to be negotiated with the appropriate United States authorities concerning access to United States installations in Canada and the security clearance of civilian employees at such installations.

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The drafts had been prepared at the suggestion of the Security Sub-Panel by representatives of the Department of National Defence, the R.C.M. Police, the Department of External Affairs and the Department of Defence Production. Legal advice had been sought where necessary and the paper had been approved by the Chiefs of Staff Committee.

(Security Panel Document SP- 184 refers).

8. The Panel considered a number of emendations proposed by members of the Panel and set out in the Secretary's cover note.

9. The Deputy Minister of National Defence pointed out that paragraph 5 of the draft agreement on Access, concerned with the right to search and interrogate, contained fairly severe cautionary restrictions limiting the right of action by U.S. security officials. He recognized that the suggestion made by the Commissioner of the R.C.M. Police to relax these restrictions and make them more in accordance with common police practice in Canada was a practical one, but quoted the Judge Advocate General as stating that the provisions of law on this point might be difficult to interpret to the U.S. authorities. He therefore recommended that no radical changes should be made in this paragraph since this was a particularly sensitive issue.

10. The Panel approved most of the ^{SP}emendations which were noted secretari ally and agreed in particular:

- (i) that in paragraph 5 of the draft agreement on Access the limitations on search of an unauthorized person discovered within a fenced area of a United States base should be modified only by the addition of the phrase "other than that required to establish identity"; and
- (ii) that in the draft agreement on Access the "designated Canadian authority" was the Department of National Defence, and that in the draft agreement on Employees the "designated Canadian authority" would be the appropriate security directorate of one of the Canadian armed forces.

IV. Security Policy: Security Clearance Figures

1950-12

11. The Panel had before them a copy of a letter from the Assistant Secretary to the Treasury Board asking for a review of the requirements for security clearances in order that the work load on the R.C.M. Police should be kept within reasonable limits. The letter was covered by a note from the Secretary setting out the figures for security clearances in different categories made during the year 1956.

(Security Panel Document SP- 185 refers).

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12. Lieutenant Colonel Fortier noted that nearly half the number of security checks made during 1956 resulted from applications for citizenship. He stated that the greatest number of adverse reports received on applicants for citizenship were on people who had been in Canada for more than 10 years, and pointed out that most applicants for citizenship had the right to Canadian domicile by law and that even in the case of an adverse report the applicant could not be deported. He suggested that it might be possible to ease the work load on the R.C.M. Police by waiving an investigation for certain categories of applicants. In addition, he felt that it might be possible to waive an investigation for immigrants from a number of countries to be designated. Such a procedure might well reduce the number of investigations required to one-third.

13. Commissioner Nicholson said that he felt that the problem should be judged on the basis of the need for a security clearance rather than on the size of the work load. He agreed, however, that it would be useful to consider what reduction in investigations might be made after consultation with the Department of Citizenship and Immigration.

14. The Panel agreed to ask the Department of Citizenship and Immigration and the R.C.M. Police to consider this problem and make a recommendation as to what reduction in clearances for applicants for Canadian citizenship might prudently be made.

15. The Chairman noted that of some 9,000 investigations made under the Great Lakes Seamen's Security Regulations and the Navigable Waters Protection Act, which was the enabling legislation, only four persons had been rejected during the period of three years. The Navigable Waters Protection Act would lapse at the beginning of June unless it was renewed by Parliament. Under the circumstances and in view of an opinion already expressed by the Security Panel that these Regulations were not essential in peace time, he felt that it would not be possible to recommend that the government renew the enabling legislation during the present session of Parliament.

16. The Deputy Under-Secretary of State for External Affairs said that he felt that the United States authorities should be informed that the legislation could not be renewed during the present session of Parliament, that a renewal of the legislation at a subsequent session might be possible, but that an attempt should be made to discover if some satisfactory administrative arrangements, such as the use of the crew-list visa, could be made.

17. The Panel agreed to ask the Department of External Affairs to inform the appropriate United States authorities that the enabling legislation under which the Great Lakes Seamen's Security Regulations were made could not be renewed at the present session of Parliament, and to explore with the United States authorities what other administrative arrangements might be feasible.

V. Security Policy - Previous Association with the
Communist Party and Communist-Front Organizations

1950-12

18. The Secretary of the Security Panel had provided a note requesting the Panel's guidance on cases which had recently

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been referred to the Secretary and to the Secretary of the Security Sub-Panel by a number of departments for advice. In each case the point at issue was that a person who had previous communist or communist-front affiliations roughly during the period 1943 to 1947 were now reaching positions of some seniority within departments and agencies which gave rise to problems of promotion which in some cases might lead to access to classified information. An up-to-date investigation by the R.C.M. Police produced no evidence which would either confirm or modify the information already on file. The problem was a result of government security policy which had now been in effect for approximately 10 years.

(Security Panel Document SP-186 refers).

19. Mr. Miller was of the opinion that no system of principles for dealing with cases of this kind could be laid down and that each individual case had to be considered on its own merit and related to the circumstances of employment within the department or agency concerned.

20. Commissioner Nicholson suggested that in some cases of this kind the problem might be clarified if the department were to interview the employee in question. As a result of such an interview the employee might indicate his willingness to discuss the matter further with representatives of the R.C.M. Police. In this case the R.C.M. Police would be prepared to follow up the departmental interview by a further questioning conducted by an experienced officer. He emphasized, however, that the R.C.M. Police would only wish to conduct an interview of this kind if the employee was agreeable. In addition, he suggested that the Secretaries of the Security Panel and the Security Sub-Panel might be in a better position to give advice on difficult cases of this kind if they were guided by precedents based upon similar cases which had already been satisfactorily resolved by other departments. He therefore suggested that the departments and agencies more experienced in security problems might be asked to provide information giving the background and disposition of similar cases thereby building up a common fund of experience.

21. The Panel agreed:

(i) that, in accordance with the suggestion made by the Commissioner of the R.C.M. Police, when cases came forward of persons who had communist or communist-front affiliations roughly between 1943 and 1947, on whom the presently available information was such that a department or agency could not arrive at a reasonable judgement, the department or agency should be permitted, after obtaining agreement of the R.C.M. Police, to interview the employee with a view to clarifying his case; should the employee agree, and if some useful purpose were to be served, a further interview with a representative of the R.C.M. Police might follow; and

(ii) that departments and agencies with extensive experience of security problems should be asked to provide information giving the background and disposition of similar cases, in order to provide some useful guidance for future reference.

VI. Security Policy - Appeal System

1950-12

22. The Panel had before them a paper prepared by the Security Sub-Panel setting forth the organization and procedure of

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an appeal system designed to be applied to all persons dismissed from the public service on security grounds. In addition, the Security Sub-Panel had provided a lengthy argument examining the advantages and disadvantages of both a review and appeal system. The Sub-Panel had reached the conclusion that a review system was unnecessary because procedures which amounted to such a system were already in effect; it had also concluded that the disadvantages of an appeal system seemed to outweigh the advantages and might result in a weakening of security throughout the public service.

(Security Panel Document SP-187 refers).

23. The Secretary outlined the salient points of the two documents before the Panel and pointed out that in effect the Security Sub-Panel was drawing three separate considerations to the Panel's attention. First, it considered that its original proposal that any communist with or without access to classified information should be automatically dismissed from the public service was not desirable; this was because departments and agencies already had the right to make such dismissals where it seemed appropriate for them to do so, and because such a policy would not in any way assist in handling "the borderline cases" which formed by far the majority of our security problems. Secondly, the Sub-Panel was satisfied that fairly adequate reviews of security decisions were already made by the majority of departments and agencies. Thirdly, although the Security Sub-Panel found many merits in an appeal system, it had been forced to the conclusion that the disadvantages outweighed the advantages, and hence did not feel able to recommend that a system of this kind be set up at the present time.

24. The Panel discussed the paper at length and was of the opinion that it had served a very useful purpose in clarifying a problem that had been under discussion for some time.

25. The Panel reached the conclusions:

- (i) that while the Appeal Board was desirable in theory it would be unlikely to work satisfactorily in practice, and that since the Security Sub-Panel had after a reasoned argument withdrawn its original recommendation for the dismissal from the public service of communists with or without access to classified information, the need for an appeal system was less apparent;
- (ii) that the R.C.M. Police should be asked to examine its records over a period of time for the purpose of determining how many communists might still be employed in the public service, and report the results to the Security Panel; and
- (iii) that the desirability of an appeal system should be re-examined at a time when a review of the Civil Service Act might be undertaken.

26. The Panel also noted a proposal by the Security Sub-Panel that greater care should be taken in the selection and

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training of departmental and agency security officers, and suggested that where necessary matters of selection might be dealt with by private talks with the deputy minister or head of agency concerned.

P.M. Dwyer,
Secretary of the Security Panel.

Privy Council Office,
Ottawa, March 15, 1957.