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SECURITY PANEL

The 63rd meeting of the Security Panel was held in the Privy Council Committee Room, East Block, on Thursday, November 28th, 1957, at 3:00 p.m.

PRESENT

Mr. R.B. Bryce (Chairman)
Secretary to the Cabinet

Mr. F.R. Miller
Deputy Minister of National Defence

Mr. Jules Leger
Under-Secretary of State for External Affairs

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. A.D.P. Heeney
Chairman of the Civil Service Commission

Mr. W.R. Jackett
Deputy Attorney General

Mr. P.M. Dwyer (Secretary)
Privy Council Office

ALSO PRESENT

Mr. G.G. Crean
Department of External Affairs

Superintendent K.W.N. Hall
Royal Canadian Mounted Police

Mr. L.C. Cragg
Department of Defence Production

Mr. D.F. Wall
Privy Council Office

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I. Security Policy: Security Review Committee

The Panel had for consideration a draft Order in Council, drawn up by the Department of Justice on instructions of the Minister, establishing a Security Review Committee. The Panel also had before them a draft of Canadian security policy for the guidance of the Security Review Committee, set out in a manner which would enable it to be made public if necessary.

(Security Panel Document SP-191 refers).

2. The Panel examined the Order in detail and recommended a number of changes which were noted secretarially, and are attached at Annexe "A" of these minutes.

3. The Panel also considered a number of problems which in the view of members would arise when the provisions of the Order in Council came into effect. Members had a number of reservations concerning the possible effect of the Order, and the Panel agreed that the view of a number of members should be set out in a memorandum from the Chairman to the Minister of Justice. A copy of the memorandum is attached as Annexe "B" to these minutes.

4. The Panel agreed to consider the draft statement of security policy at an early meeting.

II. Security Policy: Establishment of the Directorate of Security and Intelligence, R.C.M. Police

5. The Panel was asked, at the suggestion of the Assistant Secretary of the Treasury Board, to make a recommendation for the guidance of Treasury Board about a proposed increase of 85 positions in the establishment of the Directorate of Security and Intelligence, R.C.M. Police, for the fiscal year 1958-59.

(Security Panel Document SP-192 refers).

6. The Panel noted that the proposed increase was designed to enable the R.C.M. Police, among other functions, to carry out on a more comprehensive scale the collection of intelligence about subversive activities of individuals and organizations in Canada, the protection of the government service against penetration by foreign or subversive agents, and security investigations about persons employed in the public service. The Panel agreed that these functions of the R.C.M. Police were necessary to carry out adequately the government's security policy, and that an increase of personnel to meet an additional workload was justified.

7. While the Panel considered that the size of the increase in the establishment was primarily a matter to be determined by the R.C.M. Police, nevertheless the Panel agreed that, in the view of its members, the increase was consistent both with the resumption of investigations which other priorities had required should be abandoned, and with recruiting and training facilities.

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8. The Panel suggested that the R.C.M. Police letter to the Chairman of the Security Panel be sent to the Assistant Secretary of the Treasury Board for his consideration.

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

Privy Council Office,
Ottawa, December 4th, 1957.

SUGGESTED REVISIONS TO THE
DRAFT SECURITY REVIEW ORDER

Paragraph 2

In order to avoid charges of discrimination, it is proposed that this paragraph be redrafted to apply to all civil servants, and to permit the inclusion of members of the public service working in agencies where security problems arise. The extent of the security problem in the public service is indicated by a list of departments and agencies which have security officers. The list is attached. It is recognized that it may be necessary to make a separate order permitting certain agencies to use the facilities for review should they so wish.

It is also proposed that this paragraph should exclude members of the R.C.M. Police and the armed services, but not their civilian employees, on the grounds that procedures for grievance are already available. It is also suggested that the paragraph should exclude employees outside Canada who are not Canadian citizens.

Paragraph 3

It is suggested that the word "current" be deleted.

Sub-Paragraph 4(1)

It is recommended that the words "in the form set out in Schedule A" be deleted. For reasons, see note on Schedule A below.

It is proposed to change the phrase "ten days" to "two weeks".

Paragraph 6(1)

It is suggested that the word "Committee" be changed to "Board" in this paragraph and wherever else in the Order that the phrase "Security Review Committee" appears.

It is also suggested that the word "nominated" be changed to "appointed".

Paragraph 7

In line 2 it is proposed that the word "Minister" be changed to "Deputy Minister".

In sub-paragraph 7(a), to be consistent with the change proposed in paragraph 3, the word "current" to be deleted.

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In sub-paragraph 7(b) the word "security" to be deleted as being too restrictive.

It is also suggested that, since the considerations set out in sub-paragraph 7(a) and 7(b) are not in fact as precise as they are made to appear when set out in sub-paragraphs, the end of paragraph 7 should be made to read: ".....having regard to the security policy of the government and the information obtained on the inquiry."

Sub-Paragraph 8(1)(b)

As it is at present worded, there is a danger that this sub-paragraph would lead to the presentation to the employee of a document making a very weak case out of what was in fact a strong one. The problems that would result are set out in the separate memorandum to the Minister of Justice as Annexe "B". It is therefore proposed that this sub-paragraph should be rewritten to require a more general statement to be given to the employee, but not excluding a detailed statement where this is possible.

Sub-Paragraph 8(1)(f)

Since testimony might be required on matters of fact other than record, reliability or character, it is recommended that the phrase "as to his record or reliability or character" be changed to "on his behalf", and that this sub-paragraph be extended to state specifically that, if necessary, witnesses may also be invited by the Review Board to testify to matters of fact.

Sub-Paragraphs 8(1)(c)-(h)

It is suggested that it is unnecessary to provide for the ordering of the review in such detail, and that the Review Board should be permitted to work out its own methods. It is therefore proposed that these sub-paragraphs should be compressed into one sub-paragraph referring simply to the persons to be interviewed, and providing that an interview with one party shall not be held in the presence of any other party.

Schedule A

Because of the unpleasant circumstances which would surround the receipt by an employee of the first letter set out in this Schedule, it is suggested that the present version is too formal. The following alternative is proposed:

"Dear Mr.----:

I regret to have to tell you that the conclusion has been reached that you can no longer remain an employee of this department. Government policy and directions regarding security have required that an investigation be made concerning your background. After

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carefully considering all the information it has been possible to obtain about you, the department has reluctantly decided on security grounds that you cannot be retained in the public service.

You have now two weeks in which to decide whether you will resign your position in the public service or accept dismissal, or whether you wish to have a confidential enquiry into your case made by the Security Review Board. This Board has been established for the purpose and I attach a copy of the Order setting it up so that you can see what is involved. The Board is authorized to review the confidential and other information provided to the department concerning you, to examine those who furnished information to the department, to hear whatever information or arguments you wish to furnish concerning yourself, to consider your reliability on security grounds and to advise the Minister as to whether or not in view of all the information it has been able to obtain the conclusion that you cannot remain in the public service is justified.

If within two weeks from today I have not received your resignation or your letter telling me that you wish to appear before the Security Review Board, I shall assume that you have accepted the decision of the department and you will be discharged by due process.

If you do not fully understand the Security Review Order, or if you want to get advice, you are quite free to consult anyone you wish. Nevertheless this matter has been, and will continue to be, treated as personal and confidential; and whether or not you choose to appear before the Security Review Board, you need have no fear that our decision or information concerning you will be made public unless you yourself take action to reveal it.

Yours sincerely,

Deputy Minister."

In view of the less formal nature of the letter proposed above, it is suggested that it should not be included as a Schedule to the Order, but that departments and agencies should be directed to use it by the Cabinet Directive on security policy and procedures which will have to be revised shortly.

It is assumed that agencies will adapt the wording where appropriate to suit their status.

It is also suggested that the second letter in Schedule A is no longer necessary.

O t t a w a,
December 4th, 1957.

DEPARTMENTS AND AGENCIES WHICH
HAVE SECURITY OFFICERS

(Those starred appear in Schedule A to the Financial Administration Act or are designated as departments for the purposes of the Act by Order-in-Council P.C.1903 of March 31, 1952)

- X Agriculture Department
- Air Transport Board
- Atomic Energy Control Board
- Atomic Energy of Canada Limited
- X Auditor General's Office
- Bank of Canada
- Canadian Arsenals Limited
- Canadian Broadcasting Corporation
- Canadian Maritime Commission
- Canadian Overseas Telecommunication Corporation
- Canadian Pension Commission
- Central Mortgage and Housing Corporation
- X Citizenship and Immigration Department
- X Civil Service Commission
- Crown Assets Disposal Corporation
- X Defence Production Department
- Eldorado Mining and Refining Limited
- X External Affairs Department
- X Finance Department
- X Fisheries Department
- X Justice Department
- X Labour Department
- X Mines and Technical Surveys Department
- X National Defence Department
- X National Film Board
- National Harbours Board
- X National Health and Welfare Department
- National Research Council
- X National Revenue Department
- X Northern Affairs and National Resources Department
- X Post Office Department
- X Privy Council Office
- X Public Archives
- X Public Printing and Stationery Department
- X Public Works Department
- X Royal Canadian Mounted Police
- X Secretary of State Department
- X Trade and Commerce Department
- X Transport Department
- Unemployment Insurance Commission
- X Veterans Affairs Department
- War Veterans Allowance Board

Privy Council Office,
Ottawa, December 4th, 1957.