

March 28, 1958

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Privy Council OfficeMEMORANDUM TO MR. BRYCERe: Security in the Public ServiceIntroduction

This note will probably be most useful if it is primarily devoted to what seem to be the main faults in our system - and this means dealing with the problems of personnel security. However, before dealing with this I should perhaps briefly outline and comment on our security structure and our standards of physical security which I think are on the whole as satisfactory as can be expected.

Security Structure

2. All security in the public service of Canada is based upon the principle of departmental and agency responsibility. The rationale of this principle has been argued in many documents which are on file. It has logically required the appointment of a security officer in each department and agency. Since this could lead to uneven standards, the Security Panel was set up in 1946 to advise and coordinate.

3. Since security work deals not only with policy but with a great deal of fiddling detail with which deputy ministers should not be burdened, I recommended in the spring of 1953 that a Security Sub-Panel should be formed to deal with those aspects of security which were not policy. I have had no reason to regret this recommendation and I think it has worked well.

4. The remaining part of our security structure in conjunction with the security officers and the Panel is, of course, the R.C.M. Police. Here we have maintained the principle that

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their function is to supply information only, because as a law-enforcement body it would be inadvisable for them to determine what action should be taken on the basis of information they have supplied. The disadvantage which this entails is that officially the organization best able to give expert advice on security information is not in a position to do so.

5. I have two general comments to make on the security structure. The first is that much must depend upon the type of person appointed as a departmental and agency security officer, because in effect he has to recommend what action should be taken on personnel security problems. I do not think that the choice of persons has always been appropriate.

6. When I first came in 1952 there appeared to be some lack of understanding and I therefore organized a series of courses for security officers with the help of the R.C.M. Police. These did some good and an improvement could be observed if only in the form of greater caution. But you cannot in a course lasting a week provide people who do not already have them with an understanding of historical processes and human motivations.

7. The answer to this problem really lies with the deputy ministers who make the appointments. I am not suggesting that any of the persons appointed are incompetent or unfeeling. In searching about for the personal quality required I end up with nothing better than "sensitivity". Now that we are likely to have an appeal system which may challenge recommendations made by security officers, deputy ministers may come to realize that security cannot be adequately handled as a tiresome side-line for an officer who has other real interests. This happens mostly in departments where security is an occasional rather than a continuing problem. Perhaps when the Security Review Order comes forward again, the appointment of security officers could be usefully reviewed.

8. My second comment has to do with the type of R.C.M. Police report which results from their acting only as suppliers of information. For a considerable time in the past there was, to my mind, insufficient indication of the value of the source - which, of course, vitally affects the value of the

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information. During the last few years a brief assessment of sources has appeared more frequently on police reports and the value of the whole report is now somewhat easier to judge. Nevertheless, this is something on which an eye can be usefully kept, as the less experienced security officers tend to accept at its face value any information that is given them. I shall have more to say about police reports below.

Physical Security

9. A booklet on physical security standards was first produced in 1947 and revised in 1949. As we gathered more experience it became necessary to make a radical revision and this was done in this office in 1956 by completely rewriting it. The new book seems to have been well accepted, and although the section on Transmission of Documents has caused a few difficulties I do not think any changes need to be made. The book is backed up by a number of documents distributed by the Panel which, among other things, give an appraisal of safes, filing cabinets and locks and keys. Departments can get technical advice and assistance at any time from the R.C.M. Police laboratory which also provides a service for maintaining and repairing locks.

10. I have two comments under this section. The first is concerned with the attitude of the Department of National Defence to the Security Booklet, the provisions of which were made mandatory by the Security Panel. As you know, the department objected that the Panel did not have the authority to make its requirements mandatory. We have agreed that the department was right, but also know that unless the provisions are mandatory other less experienced departments and agencies may relax their standards. We arranged that National Defence would temporarily adapt the booklet's provisions to their operations, but this matter has not been finally settled. You have a memorandum from me about this. On balance, I think matters could perhaps be left as they are if the Department of National Defence would give us a note on the changes they have made so that we could be satisfied that they are reasonable ones. The only alternative I see would be to take the matter to Cabinet and have the booklet approved by ministers.

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11. My second comment on physical security is that the protection provided by the Canadian Corps of Commissionaires on buildings particularly in the quiet hours is not all that it should be. This is no reflection on the men who carry out these dull routines, but rather a result of their age and lack of experience in what security really involves. The present proposal to appoint a security adviser to the Commandant of the Corps may improve standards, but I suggest that after he has been there for three or four months the adviser should be asked to report on any further changes that may be necessary. My own view is that certain particularly sensitive buildings such as the East Block should have their own guard system.

12. As a final note under this section I would add that, in spite of past warnings to departments, I do not think that the security of the Centre Block is satisfactory. The divided jurisdiction over ministers' offices creates particular problems, and I suggest that a security officer under the Sergeant at Arms should be considered again.

Personnel Security Procedures

13. The whole history of Canadian security is in effect one long tussle with the problem of personnel security. When I first joined this office in 1952 we were operating under Cabinet Directive No. 4 and its supplement No. 4A of 1948. This directive required a field and file investigation for all persons with access to Top Secret and Secret, and a file check for persons with access to Confidential and Restricted. In addition, certain departments and agencies were designed as "vulnerable" and all persons employed by them were required to be subject to a field and file investigation.

14. I think it is not too much of an exaggeration to say that for the next few years personnel security policy was largely dependent upon the capacity of the registry of the R.C.M.P./Special Branch. When I became secretary of the Security Panel in the spring of 1952 the high security standards of Cabinet Directive No. 4 had been relaxed in practice because Special Branch could not cope with the work it entailed. Of course, it had not originally been designed to cope with work on the scale now required by the government.

15. The situation deteriorated during the year and in the fall we had no alternative but to tailor our policy to the Police capabilities. This resulted in Cabinet Directive No. 24 of October 1952 which required only a file check for clearance to Top Secret and Secret with a permissive field investigation, left it to the Civil Service Commission to satisfy itself as to the "good character" of people to have access to Confidential and Restricted.

16. If this policy had been carried out effectively in practice, it would still have represented an absolute minimum of security. In fact the police checks continued to drop behind, and the Civil Service Commission were not in fact taking up references with any consistent efficiency. Finally the R.C.M. Police called in the O. & M. Service of the Civil Service Commission and radical changes were made in their whole registry system. At this point I commented to Gordon Robertson that "the sum total of Canadian security" was "entirely inadequate".

17. From the end of 1953 it became possible to make improvements as increasing R.C.M. Police facilities permitted it. At the beginning of 1954 we introduced fingerprinting as a quick and efficient method of obtaining a check against criminal records. During the year the Police file checks began to speed up, but in order to increase the information needed for security clearances and to spread the burden throughout the public service we attempted to devise a system of taking up references on a departmental basis. This proved to be abortive, but by the end of 1955 we had a new Cabinet Directive - No. 29. This directive under which we still operate requires a file and fingerprint check for all persons with access to classified information (except Restricted) and makes a field check permissive for persons to have access to Top Secret and Secret information. It drops the principle of "vulnerable" departments which was of doubtful value from the first.

18. This now means that, provided departments and agencies are using the permissive section sensibly and responsibly, we have procedures similar to those originally in force under Cabinet Directive No. 4 of 1948. These are improved by the addition of fingerprinting, and can actually be carried out by the

investigating agency. At the stage of development our security organization has reached, I think we can safely leave it to departments to make field investigations where they are necessary.

Personnel Security Policy

19. We now come to what you know to be the most difficult aspect of security, and one which consequently permits most discussion and criticism. Our security procedures are designed to prevent, or make it difficult for, a person who is an agent of a foreign power to get access to our secrets. Since we cannot be certain who are in fact agents of a foreign power, or who may be persuaded to become agents of a foreign power, we have procedures which are designed to prevent certain people from entering the public service or from having access to our secrets if they are in the public service. In some cases this may inevitably mean dismissal.

20. This gives rise to so many problems that they are perhaps best considered under separate headings.

The Potential Spy

21. The first question I have to ask after six years of work in security is this: Are we right in taking steps to prevent or limit the employment of a person who in the mind of a reasonable man appears to be a person who might commit an act prejudicial to the safety and interest of the State? It can be argued that this is in a sense something like preventive surgery, as when a doctor performing an abdominal operation at the same time removes the patient's appendix even though it is not inflamed. The weakness of this argument is, of course, that an appendix is not a man and does not suffer in the process.

22. Nevertheless, I come reluctantly to the conclusion that we are right in what we do, and that in the face of international communism we have no other alternative. Our measures must meet the nature of the potential enemy, and it is the potential enemy's practice to recruit from among those who subscribe in some measure to his ideology. Indeed, it is the very

fact that you and I and Don Wall would all use the word "reluctantly", as I have done at the beginning of this paragraph, which justifies the state in taking precautions to protect the fabric of a society in which people are indeed reluctant to sanction those very precautions.

23. I think this policy is justified provided that it is carried out with great moderation; and here I come to an aspect which has bothered me and which I think needs watching carefully in the future. It is the tendency to "rigidity" in implementing security policy. The following is an example, a little exaggerated to make a point, of what can happen.

24. At some point the Security Panel agrees that persons who are members of communist-front organizations are persons who might be the subject of careful scrutiny if security is involved. It is also agreed that attendance at front-organization meetings may be an indication of membership. Security officers are so informed.

25. At a different time and in a different context, the Panel agrees that communications centres are of vital importance in time of war and that care should therefore be taken in peacetime, even though there is no access to classified information, to insulate those persons who might be persuaded to work for a potential enemy.

26. These two perfectly sensible and fairly flexible precautions then come together and require a sort of rigidity of their own. The result can be that 'A', concerning whom there is a report that he attended a front-organization meeting, is likely to be dismissed because the ordinary process of promotion will eventually take him to work in the control tower at Dorval Airport where he can have access to classified information. It is possible that after careful investigation it might be determined that 'A' was indeed a person who should not be employed in Air Traffic Control, but there is also the danger that a decision to dismiss may be taken wrongly or too soon.

27. Then there may follow what can be described as the "spread" of information. If 'A' is dismissed, he may then appear in a later report simply as a person dismissed on security grounds and known to be a close associate of 'B'. This can seriously affect the status of 'B'.

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28. I am not suggesting that this hypothetical case occurs very often, but there is a danger of it occurring if departmental and agency security officers are not meticulously careful. They are in fact not always careful and do not always pursue the matter far enough to determine that 'A' only attended front-organization meetings out of political curiosity.

29. I have only set out this kind of case, with which you will be quite familiar, to emphasize what I mentioned earlier about the importance of the choice of security officers. As long as security officers who are uncertain come to the Panel secretariat with doubtful cases, something can usually be worked out to resolve them satisfactorily. It is those who do not consult that bother me; and consequently I think every opportunity should be taken to remind departments and agencies of the value of a second opinion. As long as security is a departmental responsibility, however, it does not seem possible to require that they take advice.

The Problem of the Unreliable

30. Something of what I have said about the potential security risk also applies to the person who may be unreliable for reasons other than ideological. Basically there seem to be three kinds: persons who have criminal records because of theft, embezzlement, etc.; drunkards; and homosexuals. In my own mind I make a distinction between the first and the second two. It seems to me that the fault of the second two is compulsive. In other words, the first does what he does deliberately, while the others are often impelled by forces largely beyond their complete control.

31. As far as security has been concerned we have not made this distinction; and now I think that perhaps we should. The thief, or the generally dishonest person, should not to my mind be employed with access to classified information unless his act was petty, youthful or committed under extenuating circumstances. We cannot be sure otherwise that he will not revert to dishonesty and sell government secrets. Indeed it seems doubtful if he should be employed on administrative grounds anywhere in the public service.

32. The problems created by the other two seem to me different in quality. Drunkards often talk too freely, but many of them do not and retain a kind of automatic safeguard. Could we not therefore consider a different attitude towards them? Could we not require positive evidence that a heavy drinker is indiscreet before taking him as a security risk? In other words should we not require evidence of an act contrary to the Official Secrets Act, rather than assume that such an act may be committed. There would be some risk here, but it might be worth taking. With the Civil Service Commission interesting itself actively in the problem of drinking and arranging counselling services, perhaps a new approach might at least be considered.

33. The homosexual is considered unreliable because he is subject to blackmail. If our barbarous laws were changed this risk would be reduced, but I hardly imagine we can set about the problem this way. I know of only one case in which the Russians appeared to be deliberately attempting to develop a homosexual, but of course the risk is there. But then a similar risk of blackmail, I suppose, exists in the case of a sadist or a masochist or other peculiar person, but no one appears to wish to enquire into these deviations.

34. You yourself have suggested that the risk be removed by removing the possible element of blackmail and by indicating tactfully to a known homosexual that the security authorities will help him in the event that pressure is placed on him by agents of a foreign power. This is the best approach to this sad problem I have yet heard, but there is perhaps a weakness in it. What the homosexual will most fear, if his conscience is clear where security is concerned, is not so much his employer as the police and the law. However, I think this approach is well worth pursuing further and would even suggest that Don Wall might discuss the whole thing with the Morality Squad of the local police. They may well have a lot to tell us which we should know.

The Investigative Agency

35. The R.C.M. Police has three main functions in the security field: the protective function of providing information about government employees or applicants for the public service,

a function to investigate subversive organizations, and the active function of counter-espionage. These last two should be of prime importance to the security organization as a whole since, if they are effective, they should not only protect us from foreign agents but also indicate the nature of the threat to our security. It is a knowledge of the threat, of its targets, its recruiting methods, etc. which should determine the extent and nature of our security procedures.

36. During the last six years I can recall only a very few R.C.M. Police reports on Soviet and satellite intelligence operations. In almost every case, I think, they were reports on completed operations, or else they came our way because our help was needed in some aspect of the case. For instance, we have no idea of how many agents the Russians are running in Canada, how many persons are suspected of working for them, what is the extent of penetration into defence industry, how much recruiting is attempted from persons in front organizations, what is the relationship between the intelligence operations and the party, etc. I may have been at fault in not having developed a better liaison on this subject, but I have always had the impression (and I am not alone in this) that officials outside the Force tend to be kept at arms length where counter-espionage is concerned. Indeed, I hear (though it is only hearsay) that sections of the Directorate of Security and Intelligence not directly concerned with counter-espionage are also partly in the dark.

37. Then again there have been a good number of occasions when we have observed that full information does not always go forward to departments and agencies in security briefs on their employees. This comes to light from time to time when security officers bring difficult cases to us for advice. A conversation with an R.C.M. Police officer over the file will often produce illuminating detail which makes it possible to make a sensible decision on the case. It is not that information has been deliberately withheld, but rather that it is not provided generously.

38. What is the reason for this slightly withdrawn and secretive attitude? I think it stems quite understandably from the 'ethos' of the Force. It is 'par excellence' the silent service that gets its man and does not talk. This is a fine tradition of a fine organization and it is natural that its 'mystique'

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should make its appearance in security work. But while caution and care are essential they can become tiresome when they inhibit a flow of useful information on a limited basis to branches of the government which need to consider them.

39. To some extent Police criminal work is mechanical; it requires the collection of facts by well-tried methods which, when put together, logically indicate action dictated by the law. There is certainly a mechanical element in the collection of security information; but the collation of it, the selection and choice of the significant detail, is essentially an intellectual exercise in which I think the Police perhaps fall short.

40. A lot of this work is done by constables and junior NCO's, and it is here I think that the addition of civilians is so desirable. It is true that the R.C.M. Police have, during the past six years, brought in quite a number of civilians who have considerable ability. But very rarely are they given real responsibility commensurate with their abilities, and consequently their potential value does not seem to be sufficiently felt throughout the Force. They seem to be with the Police but not of it.

41. I suggest that for the future thought might be given to some arrangement whereby a regular briefing on counter-espionage operations be given to the chairman of the Panel, the secretariat of the Panel and the head of External's D.L.(2) Division. This might lead on to regular reports which, when it can be safely done, could be used as a basis for guidance papers to security officers in a suitably non-specific form.

Security Review System

42. As it is such a live issue at the moment, I do not think I need to review in any detail the merits of a system of appeal to protect the individual who may suffer as a result of a security decision. It has long been apparent that some such system was necessary, and our files are full of documents developing the idea and attempting to cope with the problems it brings in its train.

43. In the present Security Review Order I think that we probably have the best procedure that we are likely to be able to devise. And I take it that it is now only a question of time before its procedures are put into effect.

44. The recent reversal of an agency's decision by Dean Curtis seems to me to point up the need for very careful selection of persons who will serve on the proposed Board. The case appeared to be a fairly strong one and the decision a little surprising. It would therefore seem very important that we learn from Dean Curtis by whatever means may seem most tactful the grounds on which his decision was made, together with his views as to the merits of the procedure. It may be that what is at issue here is simply our policy with regard to the need for security measures within organizations dealing with mass communications media. While the Board will naturally have to give its opinion on the merits of the evidence placed before it by either party, its members should have an understanding of what is involved in espionage and security. I doubt if it will work really effectively if it is too remote from practical problems.

Conclusion

45. Looking back over the six years, I think we began with a fairly rigid system of security, surrounded by mystery and an aura of the "backroom" inherited from wartime methods. With its ups and downs the six years has on the whole been a period in which much more flexibility has been developed, a wider knowledge of the real problem has been spread among people directly concerned with it, and some advance has been made by lectures and conversations in producing more understanding among people not directly concerned.

46. This does not mean that a great deal more progress is not necessary, but I think the climate for progress is good. Finally, I would sum up by suggesting that;

- (i) The appeal procedure be put into effect with great care in the choice of members of the Board;

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- (ii) Simultaneously a review be made of the suitability of security officers, or at least a new series of courses given;
- (iii) A security adviser be placed in the Corps of Commissionaires and consideration be given to replacing them in certain buildings with a guard system operated by the appropriate department;
- (iv) An examination be made of how department and agencies use the permissive section of Cabinet Directive No. 29 for field investigations to ensure that there is not any excessive unevenness in standards;
- (v) A scheme be considered with the Civil Service Commission for dealing with the security problem of heavy drinkers and homosexuals on a more humanitarian basis;
- (vi) Every opportunity be taken with due tact to stimulate the R.C.M. Police
 - (a) to assess sources with care in reports on personnel;
 - (b) to collate carefully and provide full information;
 - (c) to recruit and give authority in a way commensurate with their abilities to capable civilians in their employ;
- (vii) An attempt be made to obtain regular reports from the R.C.M. Police on foreign espionage operations in Canada, and to relate security measures more closely to what may be deduced from them;
- (viii) Every opportunity be taken to remove what still remains of the "backroom" atmosphere of security through free discussion of such aspects of the problem as can reasonably be made public.

March 28th, 1958.


P. M. D.

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