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SECURITY SUB-PANEL

The 28th meeting of the Security Sub-Panel was held in the Privy Council Committee Room, East Block, on Tuesday, July 8th, 1958, at 10:00 a.m.

Present

Mr. D.F. Wall	(Chairman)
Privy Council Office	
Mr. J.K. Abbott	
Department of Citizenship and Immigration	
Mr. L.C. Cragg	
Department of Defence Production	
Superintendent K.W.N. Hall	
Royal Canadian Mounted Police	
Mr. J. Timmerman	
Department of External Affairs	
Group Captain F.H. Watkins	
Department of National Defence	
Mr. G.F. Frazer	(Secretary)
Privy Council Office	

I. Decca Radio Navigation Stations

The Sub-Panel had before them a letter from the Security Officer, Department of Transport, requesting their views on the security problem involved in the sale of Decca radio navigation receiving equipment to vessels registered in Iron Curtain countries.

(Security Sub-Panel Document SSP-89 refers).

2. As the Department of Transport was particularly interested in obtaining the opinion of the Department of National Defence, the Chairman called on Group Captain Watkins for comment, who said that the matter had been passed to the Joint Telecommunications Committee of the Joint Staff for study.

3. The Sub-Panel agreed that the views of this Committee should be communicated directly to the Department of Transport.

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II. Security Adviser to the Corps of Commissionaires

4. The Chairman outlined the background of the forthcoming appointment of Staff Sergeant R.D. Robertson as Security Adviser to the Corps of Commissionaires, and asked the Sub-Panel to consider the terms of reference which had been drawn up for the position.

(Security Sub-Panel Document SSP-90 refers).

5. A number of editorial emendations were made in the terms of reference, including certain changes suggested by the Commandant of the Ottawa Division of the Corps of Commissionaires, and these were noted secretarially.

6. After further discussion, the Sub-Panel recommended:

- (a) that the terms of reference be kept as general as possible in order that they might be modified in the light of experience;
- (b) that the Security Adviser be asked to provide his own transportation, and that he be reimbursed on a mileage basis by the R.C.M. Police; and
- (c) that the departments concerned be asked to supply part-time secretarial help for the Security Adviser until it could be determined whether the volume of work would warrant the provision of a full-time secretary.

III. Security Cases involving Character Weaknesses

7. The Sub-Panel had for consideration a paper prepared by the Secretary which suggested that some modification might be made in present Canadian government security policy where it concerned character weaknesses on the part of individuals having access to classified information. The paper suggested that a distinction might be made between the kinds of weaknesses which could affect the reliability of an employee, and that homosexuals in particular might be warned by their employers of the possibility of blackmail and of the need to report any such pressure.

(Security Sub-Panel Document SSP-91 refers).

8. The Chairman pointed out that the subject had arisen again as a result of a recent security case involving homosexuality, and that the Prime Minister had requested that security policy concerning character weaknesses be re-examined. The Chairman then invited the views of the Sub-Panel.

9. In the discussion which followed, Mr. Timmerman said that the Department of External Affairs was keenly interested in the matter because it had to consider character weaknesses not only as a security problem, but also from the point of view of Canadian representation abroad. He went on to describe for the Sub-Panel a number of cases in which the Russian

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Intelligence Service had attempted to exploit, for purposes of blackmail, character weaknesses of personnel of the Department of External Affairs serving abroad. A summary of four of these cases is attached to these minutes as an annex.

10. Mr. Timmerman told the Sub-Panel that his department, as a result of its experience in dealing with such cases as these, favoured continuing the present security policy concerning character weaknesses in general, and homosexuality in particular. He added, however, that it was already a procedure in the Department of External Affairs that wherever possible an appropriate official interviewed the employee who had been found to have a character weakness, and explained to him the departmental policy before it was decided that the employee would be dismissed or asked to resign.

11. Group Captain Watkins said that the Department of National Defence treated cases involving human weaknesses as personnel problems, and that the individuals concerned were usually interviewed and confronted with the reason for such action as was proposed. This was possible because the evidence of human weakness became available to the department through its own sources, which the department considered were not usually endangered by revealing information to the employee. Group Captain Watkins added that, particularly where homosexual offences were concerned, the Armed Services had no alternative but to dismiss.

12. Mr. Abbott told the Sub-Panel that his department's experience with character weaknesses on the part of employees serving abroad was similar to the account given by Mr. Timmerman. He said that his department was usually able to treat cases of character weakness as personnel rather than as security matters, and that in almost all instances there were administrative grounds for dismissal which did not involve the difficulty of disclosing security information. Dismissal for character weakness, he said, was a procedure which would be followed by any employer who was interested in the welfare of his business.

13. Mr. Cragg described to the Sub-Panel the case of an individual employed in industry who had falsified his Personal History Form in order to obtain employment, having served a term in prison for sex offences. This man was an obvious target for blackmail, because he lived in fear that the truth might become known to his employers, although he had been frank and open with the Department of Defence Production.


14. Mr. Cragg explained that his role in handling security cases involving character weaknesses was complicated by the fact that his relationship with industrial employees was necessarily indirect. His function was to advise industrial companies on security matters, and he was unable to exercise the close supervision in the handling of security cases which was possible for government security officials in their own departments.

15. Superintendent Hall emphasized that any system of divulging to employees with character weaknesses the details of the information about them would have to be very carefully handled because:

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- (a) investigation into such matters as homosexuality was rarely conclusive and there was always the possibility of an action for defamation being brought by the accused; and
- (b) the sources of the information indicating a character weakness were often sensitive and, if secrecy were not ensured, might cease to supply information in future.

16. During the discussion, the following points emerged:


- (a) that the Soviet and satellite intelligence services appear to follow a consistent policy of searching out and exploiting character weaknesses, and that they do not hesitate to expose victims who are not cooperative;
- (b) that the danger of such exploitation is greater among officials serving abroad, where their protective facilities are few, and the opportunities for this form of attack are greater for the Soviet and satellite intelligence services than they are in North America;
- (c) that persons with character weaknesses are always afraid of exposure to their families, friends and the general public, and therefore must be regarded as susceptible to blackmail even if their employers were to display a more sympathetic and frank attitude towards such weaknesses;
- (d) that discussion groups on the subject of security cases involving human weaknesses, organized as part of the curriculum of the courses for security officers conducted under the sponsorship of the Security Panel, would help in answering the need for more effective research and analysis of this aspect of security policy; and
- (e) 

17. As a result of this discussion, the Sub-Panel agreed:

- (a) that the Department of National Defence, the Department of Citizenship and Immigration and the Department of Defence Production be asked to supply case histories of the kind already provided by the Department of External Affairs;
- (b) that the R.C.M. Police be asked to obtain from the Morality Squad of the Ottawa City Police any relevant information of a general nature concerning their experience with cases involving character weaknesses;

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- (c) that the Department of External Affairs and the R.C.M. Police be asked to request information from the appropriate authorities in the United Kingdom and the United States concerning their experience in this aspect of internal security;
- (d) 
and
- (e) that the Secretary be asked to draft for consideration by the Security Panel a paper reflecting the conclusions to be drawn from the information resulting from (a) to (d) above, and embodying the following recommendations:
- (i) that persons with character weaknesses whose dismissal on security grounds is being considered be interviewed whenever possible by an appropriate official, giving the employee as fully as possible the information on which the proposed action is to be taken, subject to the approval of the R.C.M. Police where they have provided the relevant information;
 - (ii) that this recommendation apply only to employees and not to applicants for employment;
 - (iii) that where such cases arise in defence industry, any interview to be conducted should be done only by the Director of Industrial Security, Department of Defence Production;
 - (iv) that, in order to minimize the need to disclose security information supplied by the R.C.M. Police, the Director of Industrial Security be asked to request from the firm concerned in each case to supply such relevant information as they may have from their own sources;
 - (v) that the Civil Service Commission be asked to explore methods of ensuring that information indicating serious character weaknesses, on the basis of which employment has been denied by one department or agency, should be made available to any other department or agency considering the same person for employment; and
 - (vi) that a continuing effort be made, in dealing with cases of employees subject to weaknesses of character; to ensure that they are dealt with in their full context as problems of personnel administration as well as problems of security.

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IV. Fingerprinting Employees of Canadian National Telegraphs

18. Superintendent Hall distributed to members of the Sub-Panel copies of a letter from the General Chairman, Canadian National Telegraphs, Division 43-Commercial Telegraphers Union, to the Minister of Justice, protesting that some employees of Canadian National Telegraphs were required to supply fingerprints to the management; and copies of a letter drafted by Deputy Commissioner Rivett-Carnac for transmission to the Minister of Justice, outlining government policy on the fingerprinting of persons with access to classified information as set out in the memorandum to security officers from the Chairman of the Security Panel dated February 5th, 1954, and entitled "Fingerprinting of Persons to have Access to Classified Information."

19. Superintendent Hall explained that certain employees of Canadian National Telegraphs who handle sensitive traffic have been required by the Department of Defence Production to submit fingerprints as a part of normal security procedures. The views of the Sub-Panel on Deputy Commissioner Rivett-Carnac's letter addressed to the Minister of Justice were invited.

20. After discussion, the Sub-Panel recommended:

- (a) that the R.C.M. Police ascertain whether the Minister of Justice is prepared to accept the recommendations of the Security Panel which were the basis of the procedure laid down, with the agreement of Cabinet at that time, in the memorandum to security officers on fingerprinting dated February 5th, 1954;
- (b) that, if the Minister accepts these recommendations, the R.C.M. Police might suggest to him that he reply to the Commercial Telegraphers Union complaint along the general lines of paragraph 4(iii) and (iv) of the memorandum to security officers of February 5th, 1954; and
- (c) that the Director of Industrial Security be asked to inquire of the appropriate officials in Canadian National Telegraphs as to the exact nature of its procedure in requiring fingerprints, and to inform the R.C.M. Police before they communicate with the Minister of Justice.

V. The Changing Nature of the Communist Threat

21. The Chairman said that the Commissioner of the R.C.M. Police, in a recent communication with the Chairman of the Security Panel, had pointed out that there appeared in the past two or three years to have been a change in the nature of the communist threat, with greater Soviet emphasis on weakening the economic position of the Western world, in addition to the traditional forms of attack through espionage and political subversion. He added that the subject had recently been discussed at high levels in Western governments, and suggested that the possible ensuing effect on security policies and procedures was worthy of study.

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22. Superintendent Hall told the Sub-Panel that the matter had for some time been under examination by the R.C.M. Police, and that the significance of the present evidence indicating such a change and its effect in Canada had not as yet been conclusively determined.

23. After discussing the problem, the Sub-Panel agreed, with a view to exploring the need for any change in Canadian government policy:

- (a) that the R.C.M. Police be asked to provide further detailed information on the nature and extent of the change;
- (b) that the Department of External Affairs be asked to supply any relevant information it might be able to obtain from the United Kingdom and the United States governments on this subject; and
- (c) that, on the basis of the information supplied by the R.C.M. Police and the Department of External Affairs, a paper be prepared for the consideration of the Security Panel.

G.F. Frazer,
Secretary of the Security Sub-Panel.

Privy Council Office,
Ottawa, July 21st, 1958.