

CONFIDENTIAL

SECURITY SUB-PANEL

The 29th meeting of the Security Sub-Panel was held in the Privy Council Committee Room, East Block, on Monday, October 20th, 1958, at 10:30 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

Also Present:

Superintendent J.M. Bella
Royal Canadian Mounted Police

I. Security Screening: R.C.M. Police Recommendation
Concerning Departmental Action

1950-12

The Security Sub-Panel had for consideration a letter from the Director of Security and Intelligence, R.C.M. Police, to the Secretary of the Security Sub-Panel, in which he recommended that government departments and agencies should be asked to supply to the R.C.M. Police information concerning the employment status of employees and applicants for employment on whom the R.C.M. Police had supplied adverse security information.

(Security Sub-Panel Document SSP-92 refers).

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2. Superintendent Hall pointed out that his recommendation would assist the R.C.M. Police in keeping accurate and current the records which they maintained on such persons.

3. In the discussion which ensued, the following points emerged:

- (a) that difficulties would be encountered by the Department of Defence Production if such information were requested concerning employees of firms engaged on classified government contracts;
- (b) that the R.C.M. Police request should refer only to adverse information of a subversive nature and not to adverse character information;
- (c) that, although there might be some duplication, the information should be requested from the Civil Service Commission as well as from government departments and agencies; and
- (d) that care should be taken to ensure that any request made to departments and agencies is not confused with the requirement for quarterly returns set out in paragraph 17 of Cabinet Directive No. 29.

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

- (a) that the Secretary of the Security Sub-Panel should be asked to send a memorandum to the security officers of all government departments and agencies requesting:
 - (i) that they forward to the R.C.M. Police the names and employment status of all individuals presently employed in their department or agency on whom the R.C.M. Police have forwarded adverse subversive information;
 - (ii) that they forward to the R.C.M. Police in future, on a continuing basis, the names and employment status of all employees or applicants for employment on whom adverse subversive reports have been received from the R.C.M. Police;
- (b) that the information in (a) above should not be requested concerning employees of firms engaged in classified contracts let by the government;
- (c) that the Secretary of the Security Sub-Panel should be asked to send a memorandum to the security officer of the Civil Service Commission, requesting that he forward to the R.C.M. Police, on a continuing basis, the names and the action taken in the case of all applicants for employment in the public service upon whom the Commission has received an adverse subversive report from the R.C.M. Police; and

- (d) that the R.C.M. Police, in forwarding adverse information of a subversive nature concerning applicants for employment or employees, should specifically request in each case that the information outlined in (a)(ii) and (c) above be sent to them for the purpose of completing their records.

II. Survey of Government Buildings Containing Classified Material

1952-1

5. The Sub-Panel had for consideration a paper recommending that a survey of government buildings containing classified material be undertaken with a view to establishing the location and volume of such material, for the immediate purpose of facilitating the allotment of security guard services in accordance with the degree of protection required at various buildings.

(Security Sub-Panel Document SSP-94 refers).

6. The Chairman pointed out that the Chairman of the Security Panel had been consulted concerning the suggested survey, and had agreed that it would be a useful undertaking, provided that the Security Sub-Panel were in agreement. The views of the Sub-Panel were invited.

7. During the discussion, the following points emerged:

- (a) that although ideally, from a security point of view, guard service on any government installation containing classified material should be of a uniformly high standard, in practice it would be prudent to take special care where the greatest concentration of the most highly classified material was located;
- (b) that the information which the projected survey would produce might be useful for purposes other than the one for which it was immediately intended;
- (c) that in view of the sensitivity of the information that would result from the projected survey, its dissemination should be strictly limited, and should not be extended to the Canadian Corps of Commissionaires; and
- (d) that the projected survey might usefully point up to government departments and agencies any weaknesses in their existing security arrangements.

8. As a result of their discussion, the Sub-Panel recommended that the survey of government department and agency installations in the Ottawa area containing classified material should be undertaken as suggested in Security Sub-Panel Document SSP-94, with the proviso that departmental and agency security officers be asked to prepare and submit their own lists of buildings together with the related information as requested therein.

III. Security Clearance of Corps of Commissionaires
Security Guards

1930-12

9. The Sub-Panel had for consideration a paper recommending that, in order to ensure that the best guard service would be provided where most needed at government department and agency installations where classified material was located, the Security Adviser to the Ottawa Division of the Canadian Corps of Commissionaires should be authorized to categorize Commissionaires for such service on the basis of the results of the field investigation and the Corps record in each case.

(Security Sub-Panel Document SSP-93 refers).

10. The Chairman pointed out that the system of categories recommended was based on the one previously used by the R.C.M. Police in ordering the security guard service provided for government departments and agencies by the Canadian Corps of Commissionaires.

11. During the discussion, the following points emerged:

- (a) that the Security Sub-Panel would be directly concerned only with categories A and B, in view of the fact that only these categories included men who would be used for security guard service on government installations containing classified material;
- (b) that the categorizing of Commissionaires for security guard service was intended to establish and maintain consistently high standards of reliability within that service;
- (c) that while ideally it would be best to combine categories A and B and to insist on a uniformly high standard from all security guards employed on duties at government department and agency installations, in practice it would seem wise to permit the employment of Commissionaires in category B on installations containing material classified Confidential or below; and
- (d) that while the initial categorization in the case of new men joining the Corps would be based on a field investigation, continuance in any category would be dependent, in the case of all Commissionaires, on each man's continuing record of reliability.

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

- (a) that the Security Adviser to the Ottawa Division of the Canadian Corps of Commissionaires be authorized to use the system of categories set out in Security Sub-Panel Document SSP-93;
- (b) that the Security Adviser should consult with the Chairman of the Security Sub-Panel in all cases where categorization of Commissionaires

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presents special difficulties, with a view to having them resolved by the Sub-Panel where necessary; and

- (c) that the effectiveness of the proposed system of categorizing Commissionaires for security guard service on government installations containing classified material should be kept under review.

IV. Security Screening of Personnel in Defence Industry

1956-12

13. The Sub-Panel had for consideration a paper summarizing certain problems concerning the security screening of personnel in defence industry which had been referred to the Department of Defence Production by the firms concerned. These problems resulted from the government policy requirement that, when refusing employment, transferring or dismissing employees because of adverse security information, the firm must not relate its action to security considerations without the Security Panel having been consulted.

(Security Sub-Panel Document SSP-95 refers).

14. Mr. Cragg pointed out that problems arising from the government policy requirement had accumulated recently because of the shortage of non-classified work in some industries which were also engaged on classified government contracts, a situation which had resulted in the laying off of some senior men who had been denied security clearance.

15. Mr. Cragg added that union representation had been made concerning some member employees who had been laid off under these circumstances. He said that although some unions have security clauses in their collective agreements with defence industries, such clauses are in practice inoperable because of the government requirement that security should not be given as the reason for action taken.

16. Mr. Cragg also pointed out that some of the pressing problems in defence industry concerned employees or applicants for employment who were recent immigrants to Canada, who had been denied security clearance because they had relatives still living in communist-controlled countries, or because they themselves had come from countries where the R.C.M. Police did not have the facilities to carry out security investigations.

17. The Chairman invited the views of the Sub-Panel on these problems with a view to assisting the Director of Industrial Security in the guidance of industrial security officers.

18. During the ensuing discussion, the following points arose:

- (a) that any solution involving an outside arbiter, as suggested in paragraph 5 of Security Sub-Panel Document SSP-95, was not possible because it implied the disclosure of security information to unauthorized persons, a procedure which might seriously endanger the sources of that information; and

- (b) that the best general guide in avoiding such problems appeared to be the insistence wherever possible that personnel being considered for employment on classified government contracts should be cleared for security before being permitted to work on any such contracts.

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

- (a) that industrial firms concerned might be instructed by the Department of Defence Production that in each case where an employee is refused work on a classified government contract because the facilities for screening him are not satisfactory, the firm may be permitted to give this reason to the employee for the action taken;
- (b) that firms might also be instructed by the Department of Defence Production that in each case where an employee is refused employment on a classified government contract because he has relatives living in communist-controlled countries, the employing firm may be permitted to give this reason to the employee for the action taken;
- (c) that in each case where an employee must be refused employment on a classified government contract because of adverse information from overt sources supplied by the R.C.M. Police, the Director of Industrial Security should consult with the R.C.M. Police with a view to determining the practicability of interviewing the individual personally and giving him the reason for the action taken, within the limitations agreed upon between the Director and the R.C.M. Police; and
- (d) that the implementation of the procedure *set out* in (c) above should be conditional on the consent of the Chairman of the Security Panel, which would be sought by the Chairman of the Security Sub-Panel.

*amended by CSC 1623-2-2(75c)
dated 31 Oct 58.
D.M./3/11.*

V. Conference of Security Officers of
Government Departments and Agencies

1950-25-7

20. The Sub-Panel had for consideration a paper recommending that a conference of security officers of government departments and agencies be held in late November or early December, and suggesting topics which it might profitably discuss.

(Security Sub-Panel Document SSP-96 refers).

21. The Sub-Panel agreed that such a conference should be held and recommended:

- (a) that the conference should, if possible, be held at the Civil Defence College, Arnprior;
- (b) that the conference should last, if possible, for two days;
- (c) that during the first day of the conference members should be organized in syndicates, each of which should discuss an aspect of security, and draw up a report based on its discussion;
- (d) that on the second day of the conference the reports of the syndicates should be discussed by the full conference; and
- (e) that, in departments and agencies where the security officer is not also the director of personnel, the security officer should invite the director of personnel of his department or agency to attend the conference.

VI. Security Cases Involving Character Weaknesses:
Progress Report

1956-12

(Item III, paragraph 17(e) of the minutes of the 28th meeting of the Security Sub-Panel refers).

22. The Chairman informed the Sub-Panel that most of the reports concerning character weaknesses which had been requested from certain members of the Sub-Panel had been received by the Secretary, and that a paper, based on these reports should be ready for the consideration of the Sub-Panel in about a month.

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

Privy Council Office,
Ottawa, October 24th, 1958.