

SECRET

SECURITY PANEL

The 68th meeting of the Security Panel was held in the Privy Council Committee Room, East Block, on Tuesday, October 6th, 1959, at 2:30 p.m.

Present

Mr. R.B. Bryce	(Chairman)
Secretary to the Cabinet	
Mr. Laval Fortier	
Deputy Minister of Citizenship and Immigration	
Mr. F.R. Miller	
Deputy Minister of National Defence	
Mr. D.A. Golden	
Deputy Minister of Defence Production	
Mr. W.R. Jackett	
Deputy Minister of Justice	
Commissioner C.E. Rivett-Carnac	
Royal Canadian Mounted Police	
Mr. N.A. Robertson	
Under-Secretary of State for External Affairs	
Mr. Paul Pelletier	
Civil Service Commission	
Mr. D.F. Wall	(Secretary)
Privy Council Office	

Also present

Mr. L.C. Cragg	
Department of Defence Production	
Supt. W.H. Kelly	
Royal Canadian Mounted Police	
Mr. A.F. Hart	
Department of External Affairs	
Mr. G.F. Frazer	
Privy Council Office	

I. Security within the North Atlantic Treaty Organization1950-2-6
TD 240A/59

The Panel had for consideration a document (Annex to NATO Working Paper AC/35-WP/17, and Appendices A and B to this Annex) prepared by the NATO Security Bureau and entitled "Supplemental Security Principles and Practices", which had been forwarded to the Secretary of the Security Panel by the Chairman of the Cosmic Security Committee.

(Security Panel Document SP-201 refers).

2. The Chairman pointed out that the NATO Security Bureau had recommended that the security principles and practices outlined in this document be accepted by the NATO member nations for inclusion in basic NATO security policy, and he called on the Secretary to outline the background to their formulation.

3. The Secretary said that the NATO document under consideration had originated with the United States delegation to the NATO Security Committee, [REDACTED]

[REDACTED] had been considered by the NATO Security Committee, and that the document now before the Panel represented the United States proposals as amended after consultation among the NATO member nations. The present document had been examined by the Security Sub-Panel, which had suggested certain amendments and had recommended to the Security Panel that the Canadian delegation to the NATO Security Committee be instructed to raise no objection to the supplementary security principles and practices set out therein, subject to the suggested amendments.

4. The Secretary outlined the view of the Security Sub-Panel that two of the most important implications for Canadian security policy, if the government accepted the NATO proposals, would be the need for full background investigations of persons being considered for access to Top Secret information, and the need to add a question to the Personal History Form concerning travel outside North America by the person under investigation.

5. The Panel examined in detail the NATO proposals and the amendments recommended by the Security Sub-Panel, and made further amendments which were noted secretarially.

6. During the discussion the following points emerged:

- (a) that the acceptance of the NATO proposal that background investigations be mandatory for persons being considered for access to Top Secret information would not greatly increase the present investigative load of the R.C.M. Police, provided such investigations were not intended to have retroactive effect;
- (b) that mandatory background investigations for persons being considered for access to Top Secret information in Canada would serve to point up the importance of granting access to information in this security category;

- (c) that the acceptance of the NATO proposal concerning background investigations would make departments and agencies responsible for a number of the component parts of such investigations;
- (d) that the acceptance of the NATO proposal concerning investigation of foreign travel by persons being considered for access to Top Secret information might entail a considerable investigative load in view of the increasing amount of Canadian travel outside North America, and that therefore the extent of the investigation of such travel should be a matter for the judgement of the responsible authorities concerned;
- (e) that the NATO proposal for the examination of personal history statements and other records to determine membership in or affiliation with subversive organizations was unacceptable in view of the fact that it is not the policy of the Canadian government to publish a list of subversive organizations;
- (f) that the granting of access to classified information in Canada to a person who is not a national of a NATO country should not be a matter for consideration by the NATO Security Committee; and
- (g) that the proposals eventually agreed upon by the NATO Security Committee would have to be examined by the Cabinet before Canada could formally subscribe to them.

7. As a result of their discussion the Panel agreed:

- (a) that if the proposals set out in the Annex to NATO Working Paper AC/35-WP/17 and its Appendices, as amended in the Appendix to these minutes, were acceptable to the member countries, a recommendation should be made to Cabinet:
 - (i) that a mandatory background investigation for clearance to Top Secret be made part of Canadian security policy, and
 - (ii) that a further question be added to the Canadian Personal History Form requiring the employee to outline his travels outside North America since July 1st, 1945, except travels undertaken in the service of the government;
- (b) that the Canadian delegation to the NATO Security Committee be instructed:
 - (i) to raise no objection to the Supplemental Security Principles and Practices set out in the Annex to NATO Working Paper

AC/35-WP/17 and its Appendices, provided they are amended as outlined in the Appendix to these minutes,

- (ii) that they might agree to minor changes to the proposals as amended, provided it is made clear to the NATO Security Committee that final Canadian acceptance of the proposed Supplemental Security Principles and Practices will be a matter for decision by the Canadian government,
- (iii) to point out to the Committee that matters such as the verification of an employee's date and place of birth and the investigation of his educational career are primarily matters of administrative interest to the employing department, and would not necessarily form a mandatory part of a background investigation conducted by the security service, and
- (iv) to ensure that it is not intended to make retroactive the proposal that a background investigation be made of all persons to be granted clearance to Top Secret.

II. Security Cases involving Character Weaknesses, with Special Reference to the Problem of Homosexuality

8. The Panel had for consideration a paper prepared by the Secretary, outlining a number of security cases [REDACTED] and Canada involving character weaknesses, particularly homosexuality, and drawing certain conclusions concerning these weaknesses as a security risk.

(Security Panel Document SP-199 refers). 1950-12

9. The Chairman pointed out that he had asked the Secretary to undertake this study in order to enable the Panel to determine whether the present security policy concerning individuals with character weaknesses, and particularly those about whom there was substantial evidence indicating homosexuality, was justified. He noted that the conclusion of the study was that, on the basis of the information gathered, no basic change in existing Canadian security policy in this respect seemed justified.

10. Mr. Bryce suggested that because of the general public attitude towards homosexuality in Canada, individuals concerning whom substantial evidence existed indicating this propensity were particularly vulnerable to blackmail for intelligence purposes. He considered that such persons, when found to be in the public service, should be denied access to classified information, particularly to Secret and Top Secret information. He did not consider, however, that they should be dismissed from the public service, and suggested that it might be possible for the less sensitive departments to adopt less rigid standards in this regard.

11. The Commissioner of the R.C.M. Police said that he had given careful consideration to the paper under discussion and that its contents confirmed his belief that the continuance of existing security safeguards concerning character weaknesses, and particularly homosexuality, was justified. He considered that homosexuals represented a greater security risk than, for example, habitual and excessive drinkers because they were more liable to blackmail, and pointed out that this fact was well known to hostile intelligence services which did not hesitate to exploit it. In his view the employment of homosexuals in any capacity in the public service was dangerous from a security point of view.

12. The Deputy Minister of Justice agreed that homosexuals constituted a greater security risk than drinkers. He pointed out that homosexuals in Canada were necessarily more furtive in revealing their weakness than they were in the United Kingdom because of the more hostile social attitude towards homosexuality in this country. He considered that this circumstance made the security risk correspondingly greater here. He added, however, that he considered character weaknesses to be of concern in the public service from the general point of view of good administration and not exclusively from the security point of view.

13. Mr. Pelletier expressed his concern at the emphasis given in the report to homosexuality as a security danger, and pointed out that in none of the cases outlined in the annex to the report had a homosexual actually committed an act of subversion or espionage. While he was aware of the possibility of homosexuals being blackmailed for intelligence purposes, he wondered whether it might be possible to distinguish shades or degrees of homosexuality in such a way that security policy concerning this problem might be adjusted accordingly. Mr. Pelletier also considered it important for employing departments to establish that an employee did in fact have homosexual tendencies before taking action on security grounds.

14. The Under-Secretary of State for External Affairs stated that he recognized the risk in employing homosexuals in sensitive positions, but felt that the report under study exaggerated the risk. It was his view that the assessment of an individual for a position of trust involved a mixture of considerations, and pointed out that a weakness such as homosexuality might exist in an individual of great discretion and with a brilliant capacity for public service. In many cases, he said, the security dangers of the sexual propensity might well be neutralized by other aspects of the person's character. Mr. Robertson added that his department, because of its role in representing Canada abroad, had to consider weaknesses of character not only as a possible risk to security but also from the point of view of possible scandal, and its effect on the department's representational function.

15. The Deputy Minister of National Defence said that he appreciated the humanitarian desire to render security policy more flexible where character weaknesses were concerned, but he questioned the practicability of this where individuals had to be cleared for access to highly classified work. He stated that he considered homosexuality to be an abnormality rather than a character weakness, and that responsible officials could have no alternative but to deny security clearance to persons concerning whom there was evidence of homosexuality. He questioned whether persons suspected of homosexuality should be permitted to enter the public service in any capacity.

16. After further discussion the Panel agreed that the Chairman should be asked to inform the Cabinet that after careful study of the problem of character weaknesses, particularly homosexuality, in relation to the granting of access to classified information, the Security Panel could not recommend any change in existing security policy on this matter, as set out in Cabinet Directive No. 29 entitled "Security Screening of Government Employees", dated December 21st, 1955.

III. Security of Employees in the Public Service of Canada:
Revised Cabinet Directive

17. The Panel had for consideration a document prepared by the Secretary which was a draft revision of Cabinet Directive No. 29 presently in use governing the security screening of employees in the Public Service of Canada.

(Security Panel Document SP-196 refers).

7950-12.

18. The Chairman pointed out that the document under consideration did not include any significant changes in substance as compared with Cabinet Directive No. 29. He said that it had been drafted in order to take into account the possible institution of a security review procedure, to provide a more detailed outline of the criteria on which denial of security clearances should be based, and to embody other aspects of security policy and procedures in the light of experience gained since Cabinet Directive No. 29 had been prepared.

19. After brief discussion of the draft Cabinet Directive, the Panel agreed that members would make a detailed study of the paper in relation to present policy, and submit written comments to the Secretary for consideration at a later meeting.

D.F. Wall,
Secretary of the Security Panel.

Privy Council Office,
Ottawa, October 16th, 1959.

A P P E N D I X

Changes in the Annex to NATO Working Paper AC/35-WP/17 and its Appendices agreed upon by the Security Panel

ANNEX TO AC/35-WP/17

("Supplemental Security Principles and Practices")

Paragraphs 3 and 4:

It will be necessary to have agreement among the member countries as to what is meant by "national".

Paragraph 3:

In the first sentence, insert "Enclosure "A" of" before "C-M(55)15(Final)".

In the second sentence, delete "security agency" and substitute "responsible authority".

Paragraph 4:

In the first sentence, insert "classified" before "information" and delete "classified up to and including Confidential".

Delete the last sentence.

Paragraph 6:

Delete the latter part of the last sentence beginning "and a suitable notation.....".

APPENDIX A TO ANNEX TO AC/35-WP/17

Introduction:

Remove the brackets, and include the words between them in the text.

Paragraph 1:

In the first sentence, delete "(normally at least ten years) or from the date of his eighteenth birthday, whichever is the shorter period", and substitute "(at least the last ten years, except in the case of a young person)".

Sub-paragraph 2(a):

Delete this sub-paragraph and substitute "A national records check will constitute a check of all national subversive and criminal records".

Sub-paragraph 2(h):

Delete "ascertained" and substitute "investigated wherever possible".

Sub-paragraph 2(j):

Delete this sub-paragraph and substitute "Information will be sought about travel to Communist-dominated areas since July 1st, 1945, except in the service of his government, and investigation will be made wherever it is considered necessary to determine the reasons for such travel".

Sub-paragraph 2(l):

Delete "and by examination of personal history statements and other records".

Insert "of member countries" before "by unconstitutional means".

APPENDIX B TO ANNEX TO AC/35-WP/17

Concerning the individual and his/her spouse.

Paragraph 2:

Insert "security" before "interests of the member countries".