

Personnel Information
CONFIDENTIAL

Ottawa, November 28, 1969

Dear Mr. Carson:

This will refer to an informal discussion officers of my Department recently had with Mr. D.R. Taylor, the Acting Director General of the Staffing Branch, relative to a particular problem which has arisen in the process of selecting staff to effect the necessary manpower adjustments we are required to make.

The procedures presented by the Treasury Board guidelines require as a preliminary step the identification of employees found to be surplus. There is a difficulty in completing this requirement in my department because of the high proportion of rotational staff, i.e. those who are expected to serve abroad at any post as well as in Canada. Only in relatively few cases is it possible to identify specific positions that could be regarded as no longer justifiable and whose incumbents should accordingly be regarded as surplus. Instead, with due regard to maintaining the continuity of important operations in our departmental programme, it has been necessary to decide upon appropriate scales of shrinkage at different levels of the various occupational categories employed in this department. Obviously, the principal guide to effecting the required shrinkage must be the merit of an employee in relation to others of his occupational category. However, because of the high ratio of rotational to non-rotational staff, it is perhaps necessary in this department to define merit in a broader sense than elsewhere in the Public Service. In particular, in view of the predictable stringency that will apply in all categories at all levels, whether at home or abroad, this department will be less able than in the past to carry indefinitely employees who are not in a position to meet its basic requirement that they be rotational (i.e. available and acceptable for foreign as well as home postings). Accordingly, merit as applied in this department may have to rest to a considerable extent on whether a person is rotational, unless of course he was recruited to fill a non-rotational position.

Mr. J.J. Carson,
Chairman,
Public Service Commission,
OTTAWA

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It is our hope that this emphasis on continued suitability for service abroad would not lead to severe cases of hardship, bearing in mind the possibilities inherent in the re-assignment programme associated with the manpower adjustment procedures, even in those cases where persons to be reassigned or eventually to be laid off may have, in their own view at any rate, been declared non-rotational because of a service-connected disability over which they had no control and for which they could receive no compensation. However, it would seem essential, in order to avoid imputations of discriminatory treatment, that the department apply the merit principle, and especially its rotational aspect referred to above, in a comprehensive and impartial manner. All cases of non-rotational personnel would have to be embraced, whatever the grounds. For instance, restrictions on postability related to family health would have to be considered on a par with restrictions based on security considerations which might be less easy to refine or discuss but which would be equally cogent. It is in the latter area that we particularly require guidance from the Public Service Commission.

As you know, it is the policy of this department to accept for appointment to rotational positions only those persons who, after appropriate screening, are judged to be reliable from a security point of view. The reason for this policy is, first, that the great majority of employees of this department will sooner or later have access to highly classified information and, second, that all persons employed in sensitive positions abroad (i.e. where they have access to highly classified information) are more vulnerable to exploitation by foreign intelligence agents than persons similarly employed in Canada. It therefore follows that a person whose reliability in the security sense comes into question as a result of some indiscretion or the surfacing of a previously undetected character defect may have to be treated as temporarily and perhaps permanently unsuitable for foreign service. In other words, the person becomes either temporarily or permanently non-rotational. The most serious difficulty arises when a person is deemed permanently non-rotational on grounds of unreliability in the security sense. While such a person must be regarded as a potential security risk, that risk may not be so great as to warrant action for dismissal under Section 7(7) of the Financial Administration Act. Thus the department is faced with either keeping the person employed indefinitely in Ottawa or seeking to arrange a transfer to some other department. The latter alternative is rarely a feasible solution in view of the real reason for arranging transfer. The first solution, while feasible, is not fully acceptable from a security and still less so from a staffing point of view. In other words, it is neither logical nor sensible to continue to employ a person in a sensitive position in Ottawa when it has been decided that he must be permanently denied employment in a sensitive position abroad. Nor is it logical or practical to continue to employ in a position designated rotational a person who has been declared permanently non-rotational. Is it therefore acceptable to take the position that the merit rating of such persons is substantially reduced by virtue

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of their incapacity to continue to meet the requirements for service abroad? If the answer to that question is in the affirmative, may it be assumed that such persons could on the basis of low merit rating be legitimately declared surplus?

The cases we have in mind as being permanently non-rotational because of a degree of unreliability in the security sense fall generally into four categories: first, known or suspected homosexuals; second, evidence of mental-emotional disturbance; third, record of serious indebtedness, excessive drinking, or promiscuity (or a combination thereof); four, persons with no known character weakness but who since joining the department are found to have either relatives or close friends in communist countries.

In the case of homosexuals those at present in the department can be grouped as follows:

- W. J. [
- (a) self-admitted;
 - (b) known but not admitted (confronted but denied);
 - (c) suspected (i.e. either not confronted or if confronted denied).

1. In our judgment all such persons present potential security risks and are not therefore suitable for employment in any sensitive position, either at home or abroad. As it is, we have a number of communicators and general duty clerks who are admitted homosexuals, whom we have declared non-rotational and who continue to occupy (rotational) positions in Ottawa simply because we have not been able to find places for them either elsewhere in the department or in other government departments. We also have a number of admitted homosexuals in positions which are not considered sensitive from the security point of view and in most cases we are prepared to retain their services where they have shown a high degree of competence. Our question is therefore whether we can appropriately declare surplus homosexuals now employed in sensitive positions in Ottawa. Our question applies both to the case of self-admitted homosexuals and those who are known to be homosexuals but who do not admit to the practice.

Of the other categories of permanently non-rotational employees referred to above, we have one, and possibly two persons who, while their merit ratings on job performance are not below average, have given evidence of some mental or emotional disturbance. It is doubtful that these persons could be released on grounds of either incompetence or incapacity; nor do they constitute the type of security risk that would normally call for dismissal action. Much the same conditions apply with regard to persons within the third and fourth categories referred to above.

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I realize that the questions raised by this letter may not find ready and easy answers. We are however in need of an urgent reply. For this reason my officials would be happy to meet again with yours if this would be helpful in reaching an understanding of the extent to which the problems I have raised can be dealt with within the context of the manpower adjustment programme.

Yours sincerely,

Under-Secretary