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SECRET

Director, Security Services Division, Department of External Affairs, The Lester B. Pearson Building, Room 2-A-100, 125 Sussex Drive, OTTAWA, Ontario.

ATTENTION: Mr. G.S. SHORTLIFFE

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I wish to refer to your letter of February 15 concerning the subject of homosexuality.

- 2. The RCMP, like all Canadian government departments formulates its policy on personnel security from Cabinet Directive 35, entitled "Security in the Public Service of Canada". We have interpreted from this policy that homosexuality is one of the exploitable aspects of character listed in 6(a) of the directive, i.e. illicit sexual behaviour, greed, debt, drunkeness, drug addiction, mental imbalance or any other character weakness which may seriously affect one's reliability and lead to indiscretion or dishonesty or make them vulnerable to blackmail or coercion. The report of the "Royal Commission on Security" June 1969 paragraph 100 also speaks to the question of homosexuality.
- As you are no doubt aware, our chief concern in hostile intelligence operations against Canadians abroad is the Soviet Committee for State Security (KGB). They are known to regard evidence of homosexuality as particularly damaging information which is exploitable by blackmail. They are, therefore, constantly looking for homosexual traits or characteristics in all their talent spotting endeavours of persons of potential intelligence use to them. They also train homosexuals whose targets

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are homosexual members of foreign embassies, business delegations and tourists. These are almost exclusively full-time agents, often male prostitutes who are given a choice between working for the KGB or being imprisoned. In the USSR and East European countries, blackmail is standard intelligence service operational practice against Westerners, including Canadians; and cooperating Bloc services can work under controlled conditions to secure disasterously compromising evidence (usually photographic and/or recorded on tape) which is then used as a means of recruitment.

- the KGB handled their victims returning home. In this instance, as you know, they showed him a dossier of his incriminating homosexual affairs and then tore them up as a "gesture of friendship". The only thing they requested at that time was that ROCKBOTTOM "be kind" to the Soviet Ambassador in Ottawa. Subsequently the Soviet Ambassador in Ottawa alluded to ROCKBOTTOM that he was aware of his homosexual propensities.
- The belief or doctrine that militant homosexuals are currently expounding urges other homosexuals to "come out of the closet" in order to strengthen their movement. However, this openness, rather than resolve their dilemmas, often has a depressing effect that increases pressures on There is, first of all, a fear of social ostracism which, if satisfactorily handled, is replaced by individual ostracism relative to the homosexual's immediate surroundings. This, as in the past, forces homosexuals to isolate themselves from the rest of society, simply for self preservation, and to form clandestine groups to achieve social recognition in any way possible. The following is a quote from a homosexual lawyer in Chicago who has defended "gays" in civil rights cases. "To publicize the fact that you are gay is something few people can handle. All of the younger gays are coming out of the closet, and I'm ready to go back in." If a mature professional person finds the social pressures so great in a cosmopolitian city such as Chicago, the result of such a disclosure by a public servant in the conservative city of Ottawa could be of even greater consequence. Our opinion is that a homosexual can still be exploited even if he openly admits his sexual proclivity, because of the stigma that society automatically attaches to this character weakness which is difficult if not impossible to remove. This aspect was sadly and dramatically manifested on 12 March 75 when Warren ZUFELT, an officer of Stats Canada, committed suicide by jumping from the roof of an Ottawa apartment building. ZUFELT had that morning been charged in court with "Gross Indecency" (performing fellation

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on a boy prostitute). No doubt he, like most homosexuals, felt his actions were neither criminal or immoral but that exposure of his homosexuality would bring pressure to bear that he could not handle.

- 6. By openly admitting one's homosexuality, consideration would have to be given as to what degree this would be made public. Would it just be to the homosexual's supervisor or also to his wife, or his mother and father or other of his relatives, co-workers, etc. His type of homosexual activity would also have a bearing on whether he could still withstand the pressures of blackmail and coercion. Would he admit to activity if his manifestations are dangerous to society or considered illegal, i.e. homosexual prostitution, public exhibitionism in washrooms, parks, etc. or indecent sexual acts with a juvenile. You can be assured that the Soviet Bloc intelligence services are fully aware of all these aspects and that they use them to distinct advantage in all compromise attempts.
- Additionally, Soviet Bloc intelligence officers are fully aware of the fact that homosexuals are seldom loners and prefer to be in the midst of company at every opportunity. For this reason, homosexuals are in an ideal position to pick up gossip about other homosexuals who do not even belong to their own circle of acquaintances. Knowledge of this is put to good use by talent spotters working on behalf of Soviet Bloc intelligence services conducting compromise operations. In addition, homosexuals, typically, have a great preference for sexual discussions and appear to have a need to tell about such things.
- 8. It is our belief that should the KGB mount an operation against a homosexual target in a bloc country, it would be extremely difficult for that person not to capitulate. Physical violence to his person as well as criminal prosecution would most certainly be added inducements to cooperate.
- 9. Two of the principals in the recent 1973
 investigation, were considered to have homosexual leanings; however, we were never able to secure any firm information to this effect. associated with a homosexual but was known to be mostly oriented towards females. It is our opinion that the KGB had incriminating information on record concerning sillicit sexual affairs with Soviet females as well as his meeting with a known KGB officer in Moscow, and were patiently waiting for an opportune time in the future to compromise him and affect his recruitment.

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- 10. Our colleagues on the criminal side of the Force have advised us that their recent experiences all reflect homosexuals being exploited through the threat of exposure. Three such instances are, homosexuals being forced to participate in "smash and grab" robberies, a bank manager being forced to provide large loans at very reasonable interest rates to the criminal element and extortion of money from homosexuals who, when they can't pay anymore, are directed to "loan sharks". They claim that "extortion" of homosexuals occurs very frequently as a result of society's attitudes towards them and that an ever diminishing small number of homosexual extortion cases are prosecuted.
- 11. We believe that from a security standpoint, there is still a case to be made against employing homosexuals in sensitive departments of the federal government, including the RCMP, since they continue to be more vulnerable to blackmail and coercion than a heterosexual.
- 12. I have attached for your information a recent brief on "Homosexuality From An Intelligence Point of View". The author bases his findings on extensive knowledge gained from contacts with homosexuals in both East and West Germany, as well as personal experiences in homosexuality.

J.B. JAMES
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