

Government  
of CanadaGouvernement  
du Canada**TOP SECRET****MEMORANDUM**

GEISLER:eb

**NOTE DE SERVICE**TO  
AOfficer i/c Task Force  
Security ServiceFROM  
DEOfficer i/c "A" Operations  
Security ServiceSUBJECT  
OBJETALLEGATION OF IMPROPER CONDUCT  
CHARACTER WEAKNESS INVESTIGATIONS

SECURITY-CLASSIFICATION-DE SÉCURITÉ
<b>TOP SECRET</b>
OUR FILE - N/REFERENCE <b>IP 371-9</b>
YOUR FILE - V/REFERENCE [REDACTED]
DATE <b>79-02-20</b>

Reference is made to your memorandum dated 78-01-25.

2. Attached, set out in the manner requested by S/Sgt. YOUNG, is our submission consisting of 38 pages with appendices relative to investigations into Homosexuality.

3. I would appreciate a copy of the submission being returned for record purposes once it has been arranged in booklet form.

(J.F. FRIEND) Supt.,  
Officer i/c "A" Operations.

**TOP SECRET**



HOMOSEXUALITY AND CANADIAN INTERNAL SECURITY

ATTACH  
TO  
79-02-20

I RATIONAL

Acting on the recommendations of the 1946 Royal Commission (Canadian) on espionage, the Canadian Government introduced a security screening program designed to deny Communists and Communist sympathizers employment involving access to classified information. So successful was this screening program that in Canada, commencing in approximately 1950, the Russian Intelligence Service (RIS), faced with loss of traditional sources of agent recruitment, i.e., the Communist Party of Canada and its auxiliaries, was forced, in its efforts to recruit agents, to place more emphasis on discovering and exploiting character weaknesses, including homosexuality, of persons in Government employ.

2. The fact that the Communist-bloc intelligence services (CBIS) were placing greater reliance on the exploitation of human weaknesses in order to recruit agents was confirmed by the Australian, British and United States intelligence services, each of whom had observed within their respective countries an upswing in the use of this recruitment technique. For example, the Australian Royal Commission on Espionage, in its report of 22 August 1955, noted that

while Communist conviction and sympathies appeared still to be regarded as the best basis for the development of agents, other persons were marked down for "study" because the MVD<sup>1</sup> believed that for some reason or other they might be susceptible to pressure or blackmail. Hence the interest of the MVD in procuring, in respect of persons thought to have access to information, particulars of their private lives and idiosyncracies, such as their drinking habits, financial positions, and sexual irregularities.

3. One document, furnished the Australian Commission by the defector Vladimir PETROV, former head of the MVD in Australia, was described as "a farrago of fact, falsity and filth" and contained personality reports on a great number of persons, "politicians of every colour, newspaper proprietors and journalists, businessmen, etc.", all potentially of interest as agents.

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1 The Ministry of Internal Affairs (MVD), under the leadership of Lavrentiy BERIA, absorbed the Ministry of State Security (MGB) for a short period during 1953 and 1954.

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5. In the United States, the problem of character weaknesses, or more particularly homosexuality, as a security risk factor in persons in Government employ, was made the subject of enquiry by two legislative committees of the United States Congress in 1950. The Committees reported that "Nazi and Communist agents have attempted to gain information from employees of the U.S. government by threatening to expose their abnormal sex activities."

6. Testifying before these two Committees, responsible officials of the FBI, CIA and the U.S. Department of State cited numerous examples of how hostile intelligence services exploited character weaknesses of every kind with a view to obtaining classified information. In fact, an assistant to the Director of the FBI testified that

the Communists ... have a program of seeking out the weaknesses of leaders in government and industry. The FBI has in its possession information of unquestionable reliability that orders have been issued by high Russian intelligence officials to their agents to secure details of the private lives of government officials, their weaknesses, their associates ... hoping to find a weakness upon which to capitalize at the appropriate time.

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9. Laszlo SZABO, who defected to the West in 1965 after serving twenty years in the Hungarian Intelligence Service (HIS), testified before the CIA Subcommittee of the House of Representatives that Soviet training given to HIS officers dealt with the recruitment of foreign diplomats. SZABO stated that

the Soviets gave examples of blackmailing diplomats with photographs of their intimate relations with women and with homosexuals. They (the RIS) use any technique: blackmail, threats against relatives, money, anything that will work.

II. HOMOSEXUAL RECRUITMENT TECHNIQUES OF  
THE SOVIET BLOC INTELLIGENCE SERVICES

A. The Use of Homosexuals to Talent Spot  
and Recruit Foreign Homosexuals

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<sup>1</sup> See appendix 1.

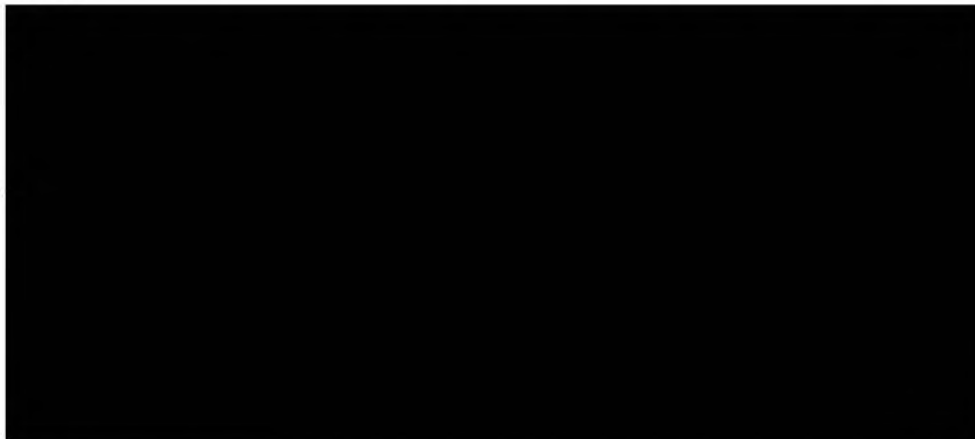


11. The practice of utilizing homosexuals as agents or co-opted members appears to be followed by the other Communist-bloc intelligence services. It is not known if these services have special sections devoted to the recruitment of foreign homosexuals; however, it is known that they conduct widespread activity in this area of agent recruitment.

B. Talent Spotting Homosexuals

The primary and most successful way of talent-spotting foreign homosexuals is, of course, through the use of native or foreign homosexuals already recruited as agents. The innate ability of one homosexual to recognize another, even though they may have never met before, is well documented. Added to this is the tendency, also generally acknowledged, of homosexuals to seek out persons of similar disposition. The following cases serve as illustrations:

(a)



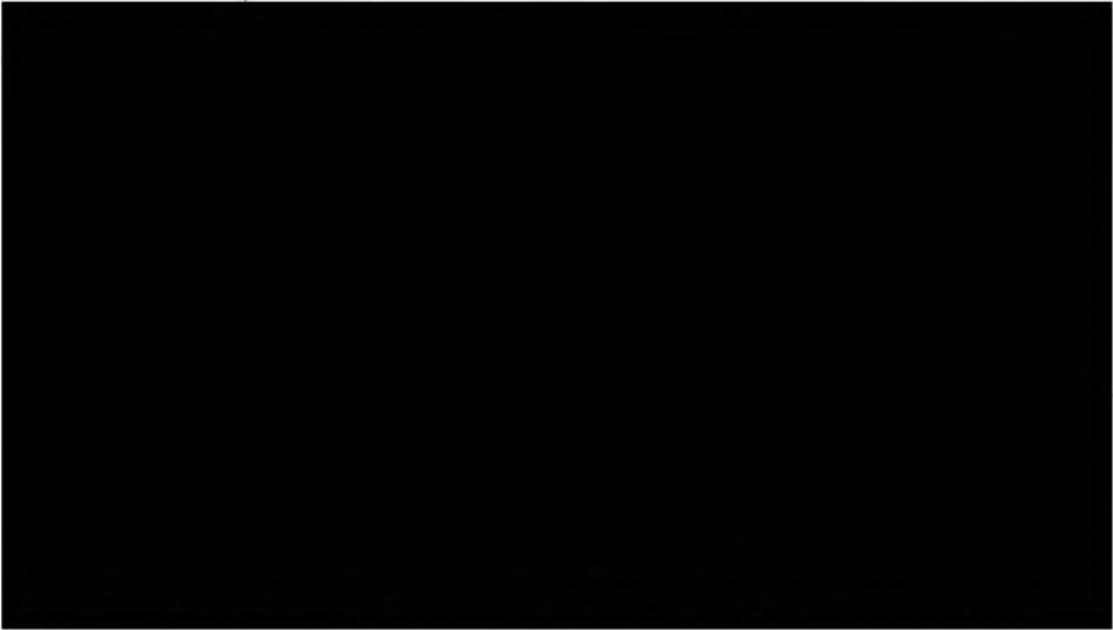
(b)



13. In addition to the type of homosexual talent-spotting already outlined, the Communist-bloc intelligence services (CBIS) are known to subject foreign visitors and residents, particularly members of non-Communist missions, to intensive investigation and observation. The purpose of such detailed study is to discover any signs of character weakness which might be successfully exploited.










15. In this context, marked features of recruitment attempts made by CBIS personnel, particularly those directed against diplomats, are their patience over a long period of time in seeking the right method and best opportunity for compromise and also the amount of effort they will expend on what they consider to be a worthwhile target.<sup>1</sup>

16. Female members of non-Communist Missions, even those employed in minor clerical positions, are also made the target of homosexual compromise by the CBIS.



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<sup>1</sup> This is clearly demonstrated in the case of the Canadian diplomat, J.B.C. WATKINS. See APPENDIX 1.



[REDACTED]

17. This case clearly demonstrates the trouble the CBIS will go to in order to compromise and possibly recruit Western homosexuals.

18. The use of such compromise techniques followed by blackmail and attempted recruitment is forcefully illustrated in APPENDIXES 1 and 2, which deal with two former Canadian Government employees who were homosexually compromised while serving in the Soviet bloc, and in APPENDIX 2A, which outlines the homosexual compromise and successful recruitment by the RIS of William John VASSAL, the British naval clerk who was subsequently sentenced to twenty years imprisonment for espionage.

### III. THE DANGERS OF HAVING HOMOSEXUALS IN GOVERNMENT EMPLOY

19. Although there are divergent views on the degree of risk involved, it is generally accepted that homosexuals within the Government service are a security risk because of their potential for compromise, blackmail and recruitment by a foreign intelligence service.

#### A. In Classified Areas of Employment

20. The security risk involved in the employment of a homosexual by the Government is, of course, most acute when the homosexual is working on duties which provide him with direct access to classified information or when the homosexual occupies a position of sufficient importance as to enable him to influence Government policy.<sup>2</sup>

#### 21. B. In Non-Classified Areas of Employment

The homosexual employed in a non-classified area of Government constitutes less of a security threat but still poses a security problem because

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<sup>1</sup> It is not known if the female Western official was recruited as a result of her being homosexually compromised.

<sup>2</sup> See APPENDIX 1 for Canadian example.

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- (1) he may in the normal course of advancement be required to have access to classified information;
- (2) he may, through homosexual liaison with a person employed in a classified area, gain indirect access to classified information (this could also apply to homosexuals who are employed outside the Public Service); or
- (3) if recruited by a hostile intelligence service, he can talent spot other potential homosexual agents. (This of course also applies to homosexuals recruited from classified areas of employment and from outside the Public Service).

#### IV. HISTORY

##### A. Principles of Security Screening

1. The principles of security screening, or vetting as it was originally called, were set out in a 12 December 1946 memorandum to the Cabinet Defence Committee by the Security Panel. Vetting was described as "the process of enquiring into the antecedents of applicants for Government employment to determine their suitability from a security point of view". Consideration was given to the advisability of drawing up a list of criteria by which "suitability from a security point of view" might be determined, but the opinion was held that any decision affecting an applicant or employee must permit the exercise of judgement based on the circumstances of each individual case. The best criterion devised and generally accepted is that when "after a careful examination of all the available information pertinent to both loyalty and character provided by an approved investigating agency in the form of an evaluated, factual report, a continuing doubt of loyalty or reliability remains in the mind of a reasonable man and when national security is involved, that doubt must be resolved in favour of the state". The principles of security screening, after Cabinet approval on 16 January 1947, were incorporated into Cabinet Directive No. 4 issued on 4 March 1948.

##### B. Cabinet Directive No. 4<sup>1</sup>

2. Although Cabinet Directive No. 4 provided for the investigation of both the loyalty and the character of Canadian Government employees and prospective employees, it was clear that, at that time (1948) under the direct influence of the

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<sup>1</sup> See APPENDIX "3".



Royal Commission (Canadian) on espionage of 1946, the primary objective of the screening program was to bar known or suspected Communists from employment in sensitive areas of Government. Thus, adverse information in relation to an employee's or prospective employee's character appears to have been considered of secondary importance to information reflecting any disloyalty.

C. Cabinet Directive No. 24<sup>2</sup>

3. As already pointed out<sup>3</sup>, commencing in approximately 1950 the Soviet and Satellite intelligence services began to place more emphasis upon the recruitment of agents through the exploitation of character weaknesses. This change in emphasis from ideological recruitment to recruitment on the basis of character weakness was taken into account by the Canadian Government when, on 19 September 1952, they issued Cabinet Directive No. 24 which specifically stated: in para. 3:

Persons who are unreliable from a security standpoint, not because they are disloyal, but because of defects in their character which may lead to indiscretion or dishonesty, or make them likely subjects of blackmail, must not be employed in any position where they may have access to classified information.

D. Cabinet Directive No. 29<sup>4</sup>

4. On 21 December 1955 Cabinet Directive No. 29 replaced Cabinet Directive No. 24. In regard to character weaknesses the new Directive stated in para. 4:

It also remains an essential of Canadian security policy that persons who are unreliable from a security standpoint not because they are disloyal, but (because of defects in their character) which may lead to indiscretion or dishonesty, or may make them likely subjects of blackmail, must not be employed in any position where they may have access to classified information. Such defects of character may also make them unsuitable for employment on grounds other than security.

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<sup>2</sup> See APPENDIX "4".

<sup>3</sup> See pages 1 to 3 inclusive.

<sup>4</sup> See APPENDIX "4".



E. Proposals for a Change in Emphasis  
in Security Policy Where Character  
Weaknesses are Concerned

5. By 1958 the steady increase in the number of security cases involving character weaknesses presented for the consideration of the Security Panel, coupled with the insight gained by the RCMP into Communist Bloc Intelligence Service (CBIS) homosexual recruitment operations, led to a growing awareness and concern, on the part of the Government, over the peculiar security problem posed by homosexuals in Government employ. On 2 July 1958<sup>1</sup> the Secretary of the Security Sub-Panel advised its members that "in dealing with a recent difficult security case which involved a character weakness, the Prime Minister expressed the wish that this aspect of the security problem should be re-examined."

6. As a result of this request by the Prime Minister, a submission, SP 199 dated 12 May 1959<sup>2</sup>, outlining the problems of security cases involving homosexuality, was presented for the consideration of the Security Panel meeting of 6 October 1959. After studying the problem the Panel directed its Chairman to inform the Cabinet that the Security Panel "could not recommend any change in existing security policy on this matter as set out in Cabinet Directive No. 29."

F. Cabinet Directive No. 35<sup>3</sup>

On 24 October 1963 the Cabinet approved Cabinet Directive No. 35 which is still in use. The most important modifications in the new Directive involves an attitude of much greater frankness with employees and for reviewing such cases both within the responsible department or agency and if necessary by a Board of Review composed of members of the Security Panel.

The Directive required that, in addition to ensuring the security of classified information for which each is responsible, departments and agencies had

- (1) to inform applicants and employees of the reasons for security investigations, and of the dangers to themselves and to national security in their attempting to conceal relevant information about themselves;

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1. See APPENDIX 6
  2. See APPENDIX 7
  3. See APPENDIX 8

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- (2) to tell an employee about whom doubt has arisen on security grounds of the reasons for that doubt, insofar as is possible without endangering important sources of security information, and to give him an opportunity to resolve the doubt;
- (3) if the doubt cannot be resolved, to attempt usefully to place the employee in a less sensitive position in the department or elsewhere in the public service;
- (4) if dismissal appears to be the only prudent recourse, to have the case reviewed and the employee interviewed by the deputy minister, to give him a further opportunity to resolve the doubt that has been raised about him; and
- (5) to seek the advice of a Board of Review before a recommendation for dismissal is made to the Minister responsible.

In regard to character weaknesses, although the definition of the types of character weaknesses remained the same as in CD 29, the new Directive provided that the

persons described [those having a character weakness] may not be permitted to have access to classified information, unless after careful consideration of the circumstances, including the value of their services, it is judged that the risk involved appears to be justified.

From this extract it can be seen that CD 35 tends to treat persons with character weaknesses in a different way than persons posing a threat because of their subversive tendencies.

V POLICY AND PROCEDURES

A. Problems Peculiar to  
Investigations of Homosexuality

1. As previously mentioned (see page 9), growing Government concern with the security problem posed by homosexuals in Government employ and the increase in RCMP knowledge of Communist Bloc Intelligence Service (CBIS) homosexual recruitment operations caused the RCMP, in 1958, to intensify its efforts to identify homosexuals employed on duties which required them to have access to classified information, with a view to reducing the possibilities of the CBIS compromising and recruitment such persons.

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2. As the investigation progressed, over the next two years, it became apparent that

- (1) normal security screening procedures were inadequate for this particular type of investigation. This was evident because a large number of the homosexuals first identified had previously been subjected to a most thorough investigation without any trace of homosexuality being uncovered.
- (2) if the overall investigation was to be successful, it could not be limited only to incumbents of classified positions. This conclusion was reached because it was found that in order to accumulate all the available information on cases which had a direct bearing on the national security it would be necessary to investigate and interview homosexuals in non-classified positions and even outside the Public Service, as well as those whose security status was directly concerned. It was also considered that the investigation had to be expanded because of the necessity of developing information and building up indices on homosexuals employed in non-classified areas of the Public Service, on the grounds that they could at some future date be eligible for transfer or promotion to a classified area. Another possibility which had to be considered was the fact that the CBIS could conceivably use homosexuals in non-classified areas of Government or outside the Public Service to identify and perhaps otherwise assist in the compromising of persons employed on classified work.
- (3) existing security screening policy had not taken into consideration the type of investigation that homosexuality demands and, therefore, was too restrictive in nature to permit successful investigation of homosexuality in the Public Service. This was because, although the development of information relating to a serious character weakness "on the part of a Government employee whose duties provide access to classified information" is authorized by the terms of reference for security screening established by the Security Panel, Cabinet Directives No. 29 and No. 35

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were interpreted to preclude the RCMP from interviewing homosexuals in non-classified Government positions.

- (4) homosexuals themselves are the most productive and in most cases the only sources of information. The investigation of homosexuality usually develops out of the opinions or knowledge expressed by the homosexual friends or acquaintances of the person concerned. Persons who are not homosexuals but who are close to the subject of the enquiry frequently have no knowledge of the subject's character weakness. It follows, therefore, that the co-operation of homosexuals and their protection as sources of information are essential to the success of the investigation.

3. With problem (2) particularly in mind and, in order for the investigations to proceed more satisfactorily, Ministerial authority was obtained, in March 1960<sup>1</sup>, for the RCMP to proceed with investigations in both "sensitive and non-sensitive departments and agencies"<sup>2</sup>. However, with the expansion of the homosexual investigative program two other questions arose; these were:

- (1) Should the RCMP provide the department concerned with information on a homosexual who is not employed on duties providing access to classified information? (The RCMP felt that it could not, without a specific Government directive, withhold this type of information).
- (2) When should the particular department concerned be provided with assessed information relating to the homosexuality of any one of its employees? (The main difficulty here was the conflict between the RCMP's desire not to withhold pertinent security information from departments, and a department's desire to take action concerning the employee, which could jeopardize RCMP sources and hinder future RCMP investigations).

4. On 19 May 1960 the RCMP submitted a paper to the Secretary of the Cabinet on "Homosexuality Within the Government Service"<sup>3</sup>. This paper outlined the problems involved in the investigation of homosexuality with the Public Service and suggested that these problems be discussed with a small Committee made up of members of the Security Panel "for the purpose of developing a separate policy for this kind of case than that now in effect for the usual security matter with which we have been faced in the past". The RCMP views, as expressed in the paper, were as follows:

- (1) We feel that the existing policy restrictions, particularly as implied in Cabinet Directive No. 29

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1. See APPENDIX "9" (see para. 7)  
2. See APPENDIX "10"  
3. See APPENDIX "11"



and attachment thereto, which prohibit our interviewing homosexuals [i.e., employed in non-sensitive position] should be set aside for this type of investigation and that the necessary provision be made for us to interview at our discretion any person who we may consider to be of assistance to our enquiry.

- (2) We also believe that the decision as to when any department should be provided with assessed information relating to the homosexuality of any one of its employees should be left to our discretion.
- (3) If the proposal in (2) is not acceptable we would suggest that the good offices of the Secretary of the Security Panel be sought to ensure that departments do not take any action against homosexuals who have assisted us which might prove detrimental to our general investigation.
- (4) We would also appreciate clarification on whether or not we should provide the department concerned with information on a homosexual who is not employed on duties having access to classified material.

5. As a result of the RCMP's request a meeting of a special group of the Security Panel was held on 20 and 29 September 1960.<sup>1</sup> At this meeting the RCMP Commissioner, C.W. HARVISON, stated that

- (1) it would not be possible to limit RCMP investigations and interviews to persons in vulnerable positions within the Public Service, since, in order to accumulate all the available information on cases which had a direct bearing on the national security, it would be necessary to investigate and occasionally interview persons outside the Public Service; and
- (2) the RCMP, without a specific directive from the Government, could not be asked to withhold information indicating homosexuality on the part of employees in non-vulnerable positions.

Commissioner HARVISON also suggested the setting up of a body of experts to consider the feasibility of devising tests which would assist in the selection of persons to be appointed to vulnerable positions.<sup>2</sup>

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1. See APPENDIX "13".

2. See APPENDIX "12".



6. After discussions the Committee concluded<sup>1</sup>.
- (a) that our investigations of homosexuality should not be indiscriminate, but should be limited to those persons who were vulnerable to effective exploitation by foreign intelligence services, except in cases where future investigation was necessary to establish the validity of information concerning employees in vulnerable positions;
  - (b) that there did not appear to be a security objection to informing persons whose security status was being questioned on grounds of homosexuality that the enquiry was related to security;
  - (c) that most careful consideration should be given in each case to the nature and timing of informing departments whose employees were involved, and to assessing the validity and significance of the information, in view of the possible effect on the employee and on the service;
  - (d) that the government be asked to give the RCM Police a clear directive to the effect that, where security was not a factor, the RCM Police were not required to report allegations of homosexuality to the employing department; and
  - (e) that, in cases where continued investigation was essential to establish the validity of allegations, but where it was also necessary to inform the department concerned, the Secretary of the Security Panel might ask the department to withhold action until the investigation was completed.

7. In a follow-up comment on these conclusions, the RCMP Commissioner, on 27 October 1960, advised the Secretary to the Cabinet as follows:<sup>2</sup>

I feel that it should be made quite clear that our present policy of sending to the appropriate Department information relating to character weaknesses on persons employed in sensitive positions, whether it is conclusive or inconclusive, be maintained.

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1. See APPENDIX "13"

2. See APPENDIX "14"

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With reference to conclusion (d) the Commissioner warned that should it be approved

... problems are likely to arise at a later date. The Department concerned may be embarrassed when a person with the character weakness referred to is promoted to a more substantial position in the Department, whether security is involved or not; but more particularly if security is a factor, and the weakness does not become known until there is a security check through the RCMP.

9. On 20 December 1960, in reply to an enquiry as to what progress had been made in following up the suggestions made by the Special Committee of the Security Panel, the RCMP was advised that initial steps had been taken to set up an effective research program <sup>1&2</sup> into the homosexual problem, that

a report has been prepared as a basis for discussion with the Prime Minister and the Minister of Justice<sup>2</sup> [and that] arrangements will shortly be made for our committee to meet with the Prime Minister and Mr. FULTON with a view to making necessary modifications in existing policy and procedures.<sup>3</sup>

10. The report referred to (outlining the problem encountered in security cases involving homosexuality and the recommendation made by the Special Committee) was presented to the Prime Minister and the Minister of Justice on 2 February 1961.<sup>4</sup> However, no meeting was held and no new terms of reference for RCMP investigations into homosexuality in the Public Service were drawn up.

11. On January 11, 1962, the RCMP sent a letter to the Minister of Justice requesting action be taken to secure Terms of Reference for the investigation of homosexuals<sup>5</sup>, however the letter was returned upon a change of government, with the notation that any action taken by the Minister was not indicated nor known. In October 1962, the RCMP reiterated its homosexual investigative problems to the Minister of Justice pointing out that the RCMP was still awaiting Cabinet approval of adequate terms of reference for this type of investigation<sup>6</sup>. Again, on 10 April 1963, the Secretary of the Security Panel was informed by the RCMP that

to continue our investigation to identify homosexuals employed on classified work, with any measure of success, we require authority to interview homosexuals employed in non-sensitive positions. It is requested that the Security Panel give further consideration to this submission at the earliest possible date<sup>7</sup>.

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1. See APPENDIX "12"
  2. See APPENDIX "15"
  3. See APPENDIX "15" (See last para. of Letter 20/12/60)
  4. See APPENDIX "16"
  5. See APPENDIX "17"
  6. See APPENDIX "18"
  7. See APPENDIX "19"

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12. In August 1963, the Force Director of Security and Intelligence<sup>1</sup> in answer to a query from "A" Division, commented that the Force was still without a "Terms of Reference" from the Security Panel, stated further that;

"Cabinet Directive #29 is currently under review by the Security Panel, and since we cannot accurately anticipate what effect any resultant changes may have on our security screening procedures we are disinclined to renew at the present time our request for terms of reference for the investigation of homosexuals. You will be kept informed of any changes which may ensue".<sup>2</sup>

13. Lacking any concrete terms of reference and with only guidelines (see para. 6) and cabinet directives 29 and subsequently #35 to work from, the R.C.M.P. initiated internal policies and procedures by which its investigators were to operate insofar as the investigating of homosexuals were concerned.

14. Discussions about and/or the actual policies and procedures are dealt with under the following specific headings:

1. "ORGANIZATION OF INVESTIGATIVE SECTIONS  
INFORMATION PAPERS AND GENERAL GUIDELINES"
2. "HANDLING OF CORRESPONDENCE"
3. "INTERVIEWS"
4. "BRIEFS"
5. "SOURCES/AGENTS"
6. "SURVEILLANCE"
7. "CO-OPERATION WITH MILITARY"

B. Organization of Investigative Sections  
Information Papers and General Guidelines

15. Initially and during the late 1950's the task of investigating homosexuals employed in the Federal Government was handled by "HQ" "B" Branch investigators who were restricted to investigating persons in the sensitive government departments.

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1. The R.C.M.P. Security Service was formerly known as the Security and Intelligence Branch.
  2. See APPENDIX 20 para. 3.

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16. On March 11, 1960<sup>1</sup> the Director of Security and Intelligence wrote to the Deputy Commissioner of the Force pointing out that with authority having been received to embark on an extensive investigation with respect to all employees of Government departments, it would require more than the services of one corporal and if we were to do the job thoroughly, that experienced investigators, seven in all, be made available.

17. On 13 April 1960<sup>2</sup>, correspondence indicates that a special squad of investigators had been established in "A" Division and would be ready to commence operations by April 19, 1960 with the intention of concentrating their efforts in the Ottawa area. In order to prepare the investigators for their designated task, they were to be supplied with selected papers treating on the problem of homosexuality such as the views of agencies [redacted] and discussions/conclusions of the Security Panel on the matter.

18. About the same time that "A" Division commenced its operation into the investigating of homosexuals, correspondence on file indicates that other centres, notably Montreal, Toronto and Vancouver were also reporting on homosexuals. It would therefore appear that a direction of some kind was sent to various or at least some Divisions regarding the matter however, the correspondence reflecting what initial direction Divisions should take could not be located.

19. The first piece of correspondence with an attached "Information Paper" indicating an all Divisions directive is dated August 9, 1961<sup>3</sup> and stems from a discussion on homosexuality held at a Security and Intelligence Conference in February of the same year. In his covering letter, the Assistant Director of Security and Intelligence (A/D.S.I.) stated;

"It is felt that this paper may provide the investigators engaged on character enquiries with some insight into the security and investigative problems presented by the homosexual".

20. The "paper" sets out the security risk presented by the homosexual employed on "classified" work by the Federal Government. It states further that in 1958 the Force interviewed a government employee whom the Russian Intelligence Service had attempted to recruit (unsuccessfully) and that the employee during the interview, named other homosexuals who in turn named more homosexuals with the result, that through this cumulative effect our present investigation of homosexuals was commenced.

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1. See APPENDIX 21.
  2. See APPENDIX 22.
  3. See APPENDIX 23.

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21. Subsequent to the above "paper" being sent, there appears to be little else that has gone out to all Divisions, rather when a Division raised a question concerning homosexuality, they were replied to individually. As such, portions of the R.C.M.P.'s internal policies and procedures appear on various replies to Division requests. Any similar request by other Divisions concerning the policies and procedures were replied to on a consistent basis.

22. On 24 March, 1965<sup>1</sup> a memorandum on file directed to the Director of Security and Intelligence related that a recent study revealed that the former seven man investigational team of "B" Branch had been gradually reduced to one man. This evolved as a result of a gradual increase in the effectiveness of Divisional "B" Sections and thus the delegating of responsibilities to the applicable Divisions. The only homosexual investigations handled by "B" Branch involved External Affairs' employees who have served in Soviet Bloc countries. As stated in paragraph 17 above, "A" Division in 1960 had a special squad of investigators who according to the 24 March 1965 memorandum, "were restricted to handling non-Government homosexual investigations". It is also pointed out that "over the years since then, "A" Division has become involved in handling homosexual investigations in various Government Departments with the exception of External Affairs and Privy Council. In actual practice there is no hard and fast rule regarding the latter Departments as each case has been handled on its individual merits. It is therefore apparent that "A" Division have gradually assumed a broader role". As a result of the study, it was recommended that,

"A" Division will, with one exception, be responsible for conducting future interviews with persons employed in vulnerable Government positions who are known homosexuals and are considered potential sources of information. The exception are those employees of the Department of External Affairs who have served in Soviet Bloc countries and where there is a danger they may have been blackmailed into providing information prejudicial to Canada's security. The latter cases will be handled by "B" Branch of "I" Directorate".

On 26 March, 1965<sup>2</sup> the D.S.I. in a letter to "A" Division directed the above procedure which had been in existence for some time be continued.

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1. See APPENDIX 24.
  2. See APPENDIX 25.

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23. In early 1965<sup>1</sup>, "A" Division also raised the question of their checking Ottawa City Police (O.C.P.) Morality Squad records and reporting their findings to Headquarters. (Information of this nature was being stored in a data bank to be used only in the event a person named therein applied for a government position with access to classified information, in which case the information was re-assessed and corroborated where possible before being passed to the department concerned). In reply,<sup>2</sup> the Director of Security and Intelligence on May 19, 1965<sup>2</sup> stated;

"It is suggested that you continue with the established practice of perusing and reporting all O.C.P. morality reports that fall under the category of character weakness".

24. It was not until 1973<sup>3</sup> that the question of homosexuality surfaced again within Federal government circles and in this instance centered on a letter dated January 24, 1973, from Mr. Michael CASSIDY, M.P.P. Ottawa Centre to the Solicitor - General of Canada. In essence, Mr. CASSIDY raised several questions concerning homosexuality seeking answers to the following;

- (a) What is the present policy in your Department as regards security clearance for homosexuals. Does it differ from the treatment of persons involved in "illicit sexual behaviour", and if so, in what way?
- (b) Is there evidence that a significant number of espionage cases in Canada have involved homosexuality, and if so, has that tended to change with changing attitudes towards homosexuality in recent years.
- (c) Can you tell me whether homosexuals are now barred from higher security levels simply on the grounds of their homosexuality, and if so up to what level can they go. If a person above this level were found to be a homosexual, would he be transferred or denied a security clearance?
- (d) Finally is it the policy of the R.C.M.P. to identify and survey all homosexuals in Ottawa or elsewhere in Canada, or even to survey selected groups of homosexuals in hopes of identifying people who may be working in positions of high security.

25. In his letter Mr. CASSIDY makes the observation that homosexuals still feel they are being discriminated against despite the legalization of homosexual acts between consenting adults in the 1969 Criminal Code Amendments and that the clearest exposition of policy towards homosexuals appears to lie in the Royal Commission on Security Report, paragraph 100.

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- 1. See APPENDIX 26.
  - 2. See APPENDIX 26.
  - 3. See APPENDIX 27.



- (a) That the policies of the government apply not only to the Solicitor - General Department but throughout the government service. The responsibility for implementing those policies and government guidelines rests with each Minister and his senior advisors.
- (b) That the government seeks to assure itself about the bona fides of those of its employees who must have access to classified material and who occupy positions of trust. In this respect, persons who are homosexuals are treated no differently than other employees whose character, reliability and record are taken into account in granting them access to classified material. The very difficult problems associated with arriving at judgments on such questions are clearly set out in the Report of the Royal Commission of Security and in particular, paragraphs 96, 97, 98 and 100. While the latter paragraph was drafted before changes to the Criminal Code legalizing homosexual acts between consenting adults, many of the considerations in paragraph 100 would have to be taken into account when deciding whether to grant such employees access to particularly sensitive work. Each case would have to be judged in light of all the circumstances and would be similar to the treatment of persons involved in "illicit sexual behaviour". Homosexual acts performed in public or involving an adult and a minor continue to be criminal offences, and thus make the persons concerned subject to blackmail.



- (c) That unfortunately, there are a significant number of cases in which foreign intelligence services have sought to use homosexuals in ways which were not in Canada's interests.
- (d) That it is not possible to generalize about whether homosexuals are barred by their employing departments from access to highly classified material. Each case must be considered separately.
- (e) That the R.C.M.P. has no policy which singles out homosexuals as such for exclusion from employment.

29. On November 2, 1976<sup>1</sup> the Deputy Director General (Operations) Security Service forwarded a letter to all Divisions setting out the position of the R.C.M.P. in relation to what appeared to be a campaign by individual homosexuals and homosexual organizations to pressure the government into making a statement relative to obtaining employment in the public service. In his letter the D.D.G.(Ops.) refers field personnel to Appendix "A", (which is a copy of the letter discussed in paragraph 28 above), and Appendix "B" (a copy of paragraph 100 of the Report of the Royal Commission on Security). The letter continues by stating

"Each of these documents, although somewhat dated now, is still relevant and valid. Together they summarize very well the current attitude of the Security Service and most government departments.

30. It is generally recognized that the Department of External Affairs is perhaps one of the most important within the Canadian Government and in regards to their employment of homosexuals in particular as it relates to their Foreign Service officer program, their views were reflected in an attachment to a letter dated January 27, 1977<sup>2</sup> to the R.C.M.P. In conclusion, the attachment "Notes for use by Recruiting Teams" states,

"More specifically however, as I've tried to indicate, homosexuality does give rise to concerns in the security sense which must carefully be taken into consideration and which may well lead to a conclusion that an offer of employment should not be extended."

31. On the topic of "Position Papers" concerning the rights of homosexuals with respect to employment and security clearances within the Federal Government, the Solicitor General of Canada, on January 31, 1977<sup>3</sup> in answer to a letter from an executive member of the Gay Alliance Toward Equality stated;

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- 1. See APPENDIX 29.
  - 2. See APPENDIX 30.
  - 3. See APPENDIX 31.

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"I can assure you that an individual's sexual orientation, male or female, does not prevent that individual from obtaining employment in the Federal Government or from obtaining a security clearance. What is a matter for consideration is the extent to which a person might be exploited or compromised by a person or persons whose interests are inimical to those of Canada and its citizens.

Being an overt or publicly professed homosexual would in no way prevent an individual from competing and being considered for employment in any government department or agency. Whether or not he would be selected over other candidates would be a matter for managerial discretion in the normal selection process".

32. The department of External Affairs in a letter dated February 15, 1977<sup>1</sup> sought advice from the R.C.M.P. concerning homosexuality when the Director of the latter department's Security Services Division requested:

- (a) if we could have from the R.C.M.P. an assessment of the extent to which the R.C.M.P. considers homosexuality is exploitable.
- (b) if we could have your views on the various circumstances under which you consider homosexuality could be exploited either abroad or in Canada.
- (c) that you consider that homosexuality could well be exploited even if the individual in question openly admits to his sexual proclivity and
- (d) where homosexuals have been exploited for either criminal or security reasons would be particularly helpful.

33. In answer to the above request, the Officer in charge "B" Operations of the R.C.M.P. Security Service replied on March 8, 1977<sup>2</sup> that;

- (a) the R.C.M.P. formulates its policy on personnel security from Cabinet Directive 35 and that they have interpreted from that policy that homosexuality is one of the exploitable aspects of character listed in 6(a) of the directive i.e. illicit sexual behaviour etc. which may seriously affect one's reliability and lead to indiscretion or dishonesty or make them vulnerable to blackmail or coercion.

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- 1. See APPENDIX 32.
  - 2. See APPENDIX 33.

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- (b) 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.

The ROCKBOTTOM case is a classic example of how the KGB. handled their victims returning home. In this instance 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 was that ROCKBOTTOM 'be kind' to the Soviet Ambassador in Ottawa. Subsequently the Soviet Ambassador alluded to ROCKBOTTOM that he was aware of his homosexual propensities.

- (c) 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 his wife, or his mother and father or other of his relatives, co-workers etc.
- (d) Our colleagues on the criminal side of the Force have advised that their recent experiences all reflect homosexuals being exploited through the threat of exposure. Three such instances are, homosexuals being forced into "smash and grab" robberies, a bank manager being forced to provide large loans at very reasonable rates to the criminal element and extortion of money from homosexuals who, when they can't pay anymore are directed to "loan sharks".

In summation the R.C.M.P. makes the observation that from a security standpoint there is still a case to be made against employing homosexuals in sensitive departments of the Federal Government.

34. The last general guideline to be sent to all Divisions is dated November 7, 1978<sup>1</sup>, and is the result of queries from the field regarding our interest in homosexuals and homosexual organizations as related to security screening. In the directive the following points are made.

- (a) The Security Service has no mandate to investigate homosexuals. However as the investigative agency, responsible for supplying Departmental Security Officers with the results of investigations in security screening cases, Cabinet Directive 35 indicates a person is unreliable because of features of his character such as illicit sexual behaviour, which may lead to indiscretion or render him vulnerable to blackmail or coercion.

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1. See APPENDIX 34.



- (b) As the illicit sexual behaviour of a candidate is difficult to determine, and to assist the investigator, we have, over the years, included the names of all homosexuals encountered by the Security Service in our data bank which is checked against all screening candidates. This information not only provides valuable investigative leads but ensures that the name of a homosexual candidate for a security clearance will surface through a records check in those cases where a field investigation is not required.
- (c) To keep our data bank up to date, we rely on our field investigators to provide suitable identification (at least full name, address and date of birth) of individuals who are suspected or confirmed homosexuals encountered during investigations. Several Area Commands also obtain lists from morality squads of various police departments which they submit on a semi-annual or annual basis. No further action is required and no investigations should be undertaken in connection with this data.
- (d) The investigation of homosexuality is not a responsibility per se of the Security Service. Homosexual acts between consenting adults in private are not illegal nor is it the Federal government's intention to bar homosexuals from employment. Homosexuality will not necessarily result in a refusal of a security clearance, but is one of a number of factors taken into account when determining an individual's suitability for a security clearance.

35. Over the years "A" Branch of the Security Service assumed full responsibility for the handling of homosexual investigations with the selection of field investigators remaining the prerogative of the Division Security Service involved with occasional direction from Headquarters depending on the delicacy of the investigation.

#### C. HANDLING OF CORRESPONDENCE

36. Due to the nature of this particular type of investigation it was deemed advisable that all reports would be classified "TOP SECRET", placed in a special [REDACTED] category with dissemination on a strict "need to know" basis. This policy is reflected in a letter dated December 9, 1960<sup>1</sup> sent to "E" Division and instructions to the Officer i/c Headquarters Security and Intelligence Central Registry dated August 25, 1960.<sup>2</sup>

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1. See APPENDIX 35

2. See APPENDIX 36



37. Correspondence, continued to be classified "TOP SECRET" for approximately two years until in February 1962,<sup>1</sup> all Divisions were advised that correspondence could be downgraded to "SECRET" with the proviso that when circumstances warrant, correspondence would be handled under a higher or lower classification.

38. Current policy which was set on 30 July 1964<sup>2</sup> restricted the handling of "A" Branch "TOP SECRET" [REDACTED] category (Known or Suspected Homosexuals) files to the following:

"All "I" Directorate Officers,  
Senior N.C.O., "A" Branch,  
Personnel of Section A-1, "A" Branch,  
"I" Directorate personnel authorized ad hoc by the Officer  
in Charge "A" Branch, or  
Personnel of S. & I. files, "B" Section, Central Registry".

39. The destruction of [REDACTED] category files was raised in 1967 by "A" Division who sought a ruling on this topic following the death of a file subject. On August 17, 1967<sup>3</sup> "A" Division was advised from Headquarters that;

"We have no objection to the destruction of this subject's file at your level. For future guidance, after a reasonable period of time after the demise of a [REDACTED] file subject; the file should be reviewed. If you are satisfied there would be no further historical or intelligence value in retaining such a file, it could then be destroyed.

In any event, the Headquarters file will be retained indefinitely".

40. The above policy concerning the retention of the Headquarters file indefinitely was changed in 1976<sup>4</sup> when it was found on review that some particularly old files had been opened on persons who had been suspected of being a homosexual and on whom it was later learned were not homosexuals at all. In such cases, although few in number, the discretion as to whether the file should be destroyed was left to "A" Branch personnel employed in this particular area, bearing in mind that the file contained nothing of an historical or intelligence value.

#### D. INTERVIEWS

41. The interviewing of homosexuals was commenced in 1958 with its purpose being to identify all homosexuals employed in or by the Federal Government. Initially, the investigations were concentrated in the Ottawa area with the names of persons to be interviewed being supplied from Headquarters. As such, most of the

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1. See APPENDIX 37
  2. See APPENDIX 38
  3. See APPENDIX 39
  4. See APPENDIX 40

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initial policies and procedures governing the interviewing of known or suspected homosexuals was directed to "A" Division.

42. The Headquarters policy of supplying the names of persons to be interviewed was changed however when on August 2, 1960<sup>1</sup> "A" Division was advised that:

"Since your investigators will have exhausted the list of potential sources provided by this H.Q.'s in the near future, it has been decided that the interviewing of additional sources will be left to your discretion".

43. In August 1960, "A" Division investigators were confronted with a situation wherein a person named [REDACTED] who was to be interviewed, was accompanied by a lawyer. They chose not to conduct the interview, seeking guidance from Headquarters. In their reply, Headquarters on September 2, 1960<sup>2</sup> stated

"We fully approve of the investigator's refusal to carry out the interview in the presence of [REDACTED]'s lawyer and feel that this decision should be adopted as policy for any similar cases, at least until such a time as terms of reference are established for this type of investigation".

44. As stated in paragraph 19 above, the first position paper concerning the investigation of homosexuals was sent to all Divisions on August 9, 1961.<sup>3</sup> The following excerpts from that 'paper' deal with interviews and are a culmination of bits and pieces of policies sent between 1958 and 1961 to individual Divisions.

Paragraph 9 of the "paper" states,

"The guiding principle of the investigation is that each person named as a homosexual is interviewed to admit or deny the allegation and to identify all homosexuals that he knows. There are two qualifications of this principle at the present time. Because of our interpretation of existing Cabinet Directives on security screening procedures, we do not interview known or alleged homosexuals employed in the Federal Government service except where the person has access to classified information and is employed in a position where it is considered an attempt to compromise is very likely, as for an example, a posting to one of the Soviet Bloc countries, and even then, only with the permission of the employing department. Secondly, because the Criminal Code makes provision for the prosecution of homosexuals, the government feels that every possible precaution must be taken to keep from the general public

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1. See APPENDIX 41
  2. See APPENDIX 42
  3. See APPENDIX 23

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the nature of our investigation and the identity of the person involved. In general terms our investigation has been restricted to a large extent to the interviewing of homosexuals not employed in or by the government who have agreed to co-operate with us and to certain employees of one particularly sensitive Department who have been interviewed by members of HQ's "B" Branch."

As a further guide to the field investigators, the "paper" in paragraph 17 states,

"In conducting interviews of homosexuals in the Ottawa area it has been found that a firm but not dictatorial approach to enlist their co-operation is effective. Generally, an explanation of the security risk inherent in this problem is sufficient. Some care must be taken to ensure that the investigator does not express any opinion on the moral or sociological aspects of homosexuality; our interest is solely one of security of the state".

45. Policy in respect to interviewing homosexuals continued to be sent to individual Divisions in answer to specific questions raised by that particular Division. Such replies set a precedent for similar enquiries from other Divisions.

46. In dealing with the question of interviewing Provincial employees, Headquarters on December 11, 1964<sup>1</sup> stated in reply to a query from Manitoba that;

"Federal and Provincial employees are not to be interviewed without the prior consent of this Headquarters; which will be given only in cases where there are unusual circumstances. The selection of homosexuals to be interviewed should be guided to some extent by their actual or probable association with or knowledge of homosexuals employed in or by the Federal Government".

47. On May 17, 1962<sup>2</sup> in answer to a query from "A" Division, Headquarters, in paragraph 2 of their reply, stated;

"Our "Terms of Reference" at the present time preclude any interviews with Government employees who are suspected to be homosexuals unless one or both of the following conditions exist:

- (a) The employee has continuing access to classified material.
- (b) The employee is known to associate with other Government employees who are also suspected to be homosexuals and who have access to classified information.

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1. See APPENDIX 43  
2. See APPENDIX 44



48. The whole problem of not being able to give the field investigators anything concrete insofar as interviews or for that matter the investigation of homosexuals is concerned resulted from the lack of Terms of Reference. This matter was perhaps best exemplified in a letter to "A" Division dated June 21, 1962<sup>1</sup> which states in part;

(a) Paragraph 3

The only authority we have for the investigation of homosexuals is that which is implied in Cabinet Directive #29. This states in part that such persons should not be employed by the government in positions requiring access to classified information. To supplement this we have been given only tentative approval to identify and interview, when necessary, homosexuals who are already employed on classified work.

(b) Paragraph 4

There has been much discussion at meetings of the Security Panel of the many problems presented by homosexuals, including the security risk involved, screening, administration, and public opinion. Some recommendations have been made, but not yet approved, and we find it necessary to base our decisions not only on existing policies but on the tenor of discussion at these meetings. From the recommendations made and the opinions expressed it is very apparent to us that the Security Panel as a whole wishes to keep the scope of our investigation limited as much as possible.

(c) Paragraph 6

In view of the circumstances which exist at the present time, we cannot provide the Divisions with any hard and fast rules for the conduct of this investigation. Until we receive the directives we have requested, we are adopting a cautious attitude towards the interviewing of homosexuals, particularly those who are employed outside the security community.

49. As stated, Cabinet Directive #29 was replaced by Cabinet Directive #35 in October 1963. Since that time, policies and procedures initiated in late 1958 governing the interviewing of homosexuals have not been appreciably altered with each case being considered on its own merits and with most interviews taking place in the Ottawa area.

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1. See APPENDIX 45.



E. BRIEFS

50. The question of transmitting adverse information to departments has taken various forms. Prior to 1948, it was the practise of the Force to send copies of their field reports to government departments. However, in 1948 as a result of repeated breaches of security in respect to written police reports, a procedure of reporting verbally to all but a limited number of Departments was adopted. This latter procedure was again reviewed in 1950 at which time it was decided that a submission centred on the pros and cons of sending carefully worded 'Briefs' to departments to replace the existing procedure of reporting verbally in most cases or sending field reports in others, should be sent to the Security Panel for discussion. The submission, forwarded on May 29, 1950.<sup>1</sup> commenced discussions on this matter which resulted in the Security Service adopting a policy of sending adverse information to all departments in the form of a 'Brief'.<sup>2</sup>

51. With the procedural question of transmitting adverse information having been resolved other problems arose. Having determined that homosexuals were our best sources of information, in 1959 on the subject of sending Briefs to employing Departments on confessed or otherwise confirmed homosexuals, it was suggested that the Briefs be delayed until the investigation nears completion. The argument for this action was that if one or a number of homosexuals are dismissed (or transferred) as a result of our Brief based primarily on a confession, other homosexuals who have not yet been contacted may decide not to talk. The argument against this action was that the security risk involved through homosexuality was a continuing one and that continued access to classified information increases the risk. In answer to this problem, the Officer in Charge of "A" Branch at the time stated on December 21, 1959;

"Each case will have to be considered on its own merits. It is necessary to get the briefs out as quickly as possible but they should not be sent in a given case if there is any likelihood of it affecting our other enquiries."<sup>3</sup>

52. The problem outlined in paragraph 51 above was also discussed at a Security Panel meeting who concluded that;

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<sup>1</sup> See APPENDIX 46

<sup>2</sup> A 'Brief' contains all the information required to facilitate an intelligent assessment on the part of the recipient of the Brief. It excludes naming the sources of information and contains an appropriate warning as to how the information is to be handled.

<sup>3</sup> See APPENDIX 47



"in cases where continued investigation was essential to establish the validity of allegations, but where it was also necessary to inform the department concerned, the Secretary of the Security Panel might ask the department to withhold action until the investigation is completed".<sup>1</sup>

Procedures as a result of the above were that if on receipt of a Personal History Form from a government department our indices revealed that we had a homosexual reference on the subject, we contacted the department concerned to ascertain if the subject had access to classified information. If the department replied in the affirmative, the adverse information was forwarded to them. In addition our reply contained a statement to the effect "that no action was to be taken against the individual concerned without the prior consent of the Security Panel or in the case of the Department of Defense Production (DOD.P.) without discussing the matter with the Security Service".

53. The question as to 'when' should we send a brief surfaced again in 1961. This time an opinion was expressed to the effect that in line with the procedures set out in paragraph 51, which dealt only with persons having access to classified information;

"we were not fulfilling our particular functions as a fact finding agency if we withhold adverse information on an employee of a government department because he did not have access to classified information".

<sup>2</sup>In reply, the officer in charge of "A" Branch on May 5, 1961<sup>2</sup> stated;

"Cabinet Directive #29 as well as other relevant documents indicate that our interest in character weaknesses is to be exclusively devoted only when character actually has a bearing on the security status of a prospective employee. By virtue of this reasoning, it becomes obvious that if a person does not have access to classified information, we are not in any way obligated to supply the Department concerned with any information having a bearing on such a weakness".

"In future, when communicating with the agencies, we should request advice as to whether or not the person has access to classified information. We cannot deviate from our present policy of dealing with each case on its own merits".

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1. See Section V.6(e).

2. See APPENDIX 48



54. The submission of briefs as opposed to actual field reports surfaced again in 1962. In this instance the Privy Council Office, in a letter dated December 18, 1962<sup>1</sup> sent to the Director of Security and Intelligence, asked that consideration be given to re-instituting the policy of sending field reports to departments instead of a brief as was done prior to 1960. In their argument for such a procedural change they stated;

- (a) It would bring the Canadian practice more in line with that of the United States, and United Kingdom.
- (b) That we be quite clear as to what Canadian government policy is in this matter, quoting paragraph 7 of Cabinet Directive #29.
- (c) In connection with (b) the statement of the Minister of Justice in the House of Commons on June 25, 1959, as reported on page 5145 and 5147 of Hansard,

"It is the function of the Police exclusively to collect information as to what have been the activities of this person, what the record shows, and then pass on that information to the agency concerned which makes its assessment as to the suitability or otherwise of the person for the employment for which he is applying."

"These reports are, of course, sent to the directorate of the Security and Intelligence agency of the Force. As my honourable friend has said, there may be a number of reports from different sources. These are evaluated in the security and intelligence agency. Perhaps what my honourable friend is asking me is what is the process by which they are evaluated as to the importance to be attached to them. There are, of course, different degrees of importance...they are evaluated with respect to the reliability of the source of information...the department asking for the information will, of course, have the responsibility for making its decision, of assessing the weight to be attached to the information, and they are advised by the Force as to the reliability of the source of information from which this record is compiled, or the various sources from which the record is compiled."

- (d) If these publicly-stated policies are to be carried out, departments and agencies employing persons who are to be given access to secrets of the Country and her allies must be provided with as much information as can be obtained about those persons, in order that the responsible department might ascertain to the greatest extent

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1. See APPENDIX 49



possible their loyalty and reliability...As one of the best available means of gaining this kind of knowledge is through studying the results of field investigations conducted by the investigators of the R.C.M. Police, it surely follows that the full results of these investigations should be made available to employing departments and agencies.

55. In answer to the Privy Council Office request, the Director of Security and Intelligence on February 5, 1963<sup>1</sup> stated;

- (a) The present method of reporting the results of investigations made by the Force consists of supplying departments concerned with individual summaries pertaining to the character and loyalty of candidates for Government employment, or of already employed Civil Servants who may be considered for transfer to a higher grade of classified and sensitive work. Such submissions are designed to include information on subversive traces already known or discovered, as well as furnish an outline of all favourable or adverse information gathered during field investigations. We feel that these enquiries meet with every accepted standard of security work and also fulfill the function of an investigative agency as described in paragraph 7 of Cabinet Directive #29.
- (b) Experience over the past years justifiably supports our opinion that the furnishing of original Police reports to Government departments would actually be in contravention of public policy. Such a procedure could also prove harmful to operational efficiency in that it could unintentionally lead to the exposure and embarrassment of co-operative sources, which not only would impair their future assistance but could conceivably be translated into a breach of trust.
- (c) Investigations in the field are prescribed by specific instructions and, under normal circumstances, should result in reports which are factual and serve the purpose of adequately disposing of our responsibilities. These reports contain opinions and other information which are not factual and could prove misleading if made available to the authorities vested with making a security assessment. Likewise, these reports directly or indirectly, identify sources of information which we are not justified in divulging and at times specifically forbidden to divulge beyond the Force.

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1. See APPENDIX 50



- (d) That the statements made by the Minister of Justice in the House of Commons are of a nature to justify the present policy followed by this Force...The Minister's remarks that these reports "are evaluated in the security and intelligence agency" would seem to confirm that our policy does not deviate in any way from this public statement.
- (e) In replying to departments in a summarized version it was our conviction that the inclusion of a large number of parallel statements from various sources served no more useful purpose than the mere statement in one sentence that no adverse information of any kind is available. We still consider that such a statement constitutes a positive and factual report.
- (f) That we have no alternative but to continue to submit the information in the form we have employed in the immediate past.

56. In 1967 the question of whether we should send unsubstantiated information of homosexual activity to the Privy Council Office was raised by the Secretary of the Security Sub-Panel. Following discussions on this topic the Director of Security and Intelligence on November 10, 1967 in a letter to the Secretary of the Security Sub-Panel stated;

"Now that it is a matter of official record that the Privy Council Office is desirous of being officially supplied with unsubstantiated traces, in the homosexual field, we shall be pleased to govern ourselves accordingly in future".

57. Subsequent to 1967 there have not been any further directives regarding the sending of briefs resulting in the Force following the guidelines heretofore set out.

#### F. SOURCES/AGENTS

58. As stated in this submission, during the early stages of investigating homosexuals, it was quickly realized that the best sources of information were homosexuals themselves. Several were initially recruited, volunteering their information from a patriotic point of view with the only monetary reward, if such can be so classified, being an odd meal paid for on their behalf by the field investigator.

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1. See APPENDIX 51

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59. In 1965, it was realized that among other things such as the large homosexual population in Ottawa, the lack of authority to use technical aids or surveillance and the lost element of surprise which was initially an asset during interviews, that a large number of the more discreet Ottawa homosexuals travel to Montreal on week-ends to participate in the "gay" life without fear of detection. To counter the latter, it was suggested that consideration be given to employing an established homosexual source as an agent to cover both the Ottawa and Montreal areas pointing out that it was not suggested that this individual become an agent provocateur. In answer to this request, the Director of Security and Intelligence on March 10, 1965 replied,

"Keeping in mind the political, legal and moral ramifications in an undertaking of this nature, approval cannot be given".

60. Aside from the one attempt as outlined in paragraph 59 above to use a paid homosexual agent, no other such attempts have been surfaced, with the current practise being to utilize those homosexuals who volunteer their services and who are occasionally treated to a meal.

#### G. SURVEILLANCE

61. During the early stages of investigating homosexuals, the practise of conducting surveillance was exercised by field investigators in the Ottawa area. With the view of controlling, such practises, an instruction dated July 4, 1961<sup>1</sup> was sent to "A" Division which in part stated:

"While we appreciate the need for such investigative procedures, we feel that this tactic should be used only on specific cases of individuals who are employed in or by the Federal Government in positions where their character is likely to have a bearing on their security status.

While physical surveillance on houses or other quarters occupied by known or suspected homosexuals may reveal the identities of some of their associates, such association is not in itself evidence of homosexuality on the part of those persons who are seen visiting or associating with homosexuals. We feel that because of the indefinite results of surveillance and because of the contentious nature of this investigation, the use of surveillance should be restricted to definite targets falling within our terms of reference; that is, Federal Government employees having access to classified information".

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1. See APPENDIX 52



62. In 1969, "A" Division once again sought approval to conduct surveillance on a homosexual club in Ottawa. In support of their request, they pointed out that with sources being less forthcoming in identifying homosexuals, they proposed the setting up of an 'Observation Post (O.P.) from which they could photograph patrons of the newly established homosexual club. In answer to their request an instruction dated October 2, 1969<sup>1</sup> stated

"Because we have not, to date, been provided with any Terms of Reference by the Government with respect to the recommendations made by the Royal Commission on Security concerning homosexuality in Government Service and keeping in mind the recent amendments to the Criminal Code of Canada as it affects homosexuals, you will appreciate the necessity of not taking, at this time, offensive action of the nature requested on individuals who are suspected of having this particular character weakness. Consequently, the type of coverage entertained cannot be approved.

63. As can be seen, the surveillance of homosexuals was strictly controlled and while not entirely discouraged, its practice when necessary was limited to specific cases.

6 H. CO-OPERATION WITH MILITARY

64. The need to receive information from the military on their personnel who were known or suspected homosexuals centered on the R.C.M.P. being the investigative agency for other Federal Government departments in screening individuals who were employed or applicants for employment with access to classified information. In this regard, the R.C.M.P. were very interested in all cases involving members of the armed services who had character weaknesses, since after being discharged from the services these persons could very easily obtain employment in some branch of the government, and since it would be possible that their employment would only require a records check on the part of the R.C.M.P., their name would not show in our indices if we did not receive this information from the services.

65. The first recorded correspondence suggesting an exchange of information between the R.C.M.P. and the military concerning homosexuals appears to have taken place in 1956. It was not however until 1961 that a formal proposal was sent by the R.C.M.P. to the various investigative units of the military i.e. Army, Navy and Air Force suggesting the procedure we would follow in sending homosexual information to them. The proposal outlined in correspondence dated July 10, 1961<sup>2</sup> stated:

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1. See APPENDIX 53
  2. See APPENDIX 54

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"We had been conducting investigations for some time to identify homosexuals employed in or by the Federal Government in positions requiring access to classified information. From the outset, a general policy was established whereby information of this nature would be passed to employing departments only after any allegation received was substantiated by at least one other source.

...taking into consideration the investigative facilities of your Service we feel that the aims of security could be better served by providing you with information of this nature as it comes to our attention without waiting for substantiation. To this end we have reviewed our files and extracted the names of those persons identified to us as Army (Navy - Air Force) members or employees.

To effect the transition of this new procedure we would appreciate being provided with Personal History Forms and photographs of the persons listed in the attachment. Together with a comment as to the security clearance held by each. Upon receipt of this the information we hold will be provided you in the form of a letter rather than in the usual form of a factual, evaluated brief. When corroborated information is received on each case of these persons it will be passed to you in the appropriate manner."

66. Although there is only one reply to the above on file and that being from the Royal Canadian Air Force (RCAF) dated 27 July 61, other correspondence indicates all arms of the military agreed to the new procedure concerning the exchange of homosexual information.

67. In 1964, meetings were held with representatives of the R.C.A.F. and Army centering on the exchange of homosexual information and in addition dealing with our interviewing their personnel. In the past we had been receiving full co-operation from the Navy. In conclusion, the R.C.A.F. would not agree to the interrogation of members of the R.C.A.F. by the R.C.M.P. except in extenuating circumstances while the Army stated that wherever possible, members of the Army involved in cases of this nature will be made available to the R.C.M.P. for interrogation prior to discharge. As a result of the foregoing, "A" Division was advised on April 13, 1964<sup>1</sup>.

"Having reference to the interviewing of members of the Royal Canadian Army or Air Force who were involved in homosexual offences, it will be necessary to obtain prior authority from this Headquarters before any such interviews are undertaken."

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1. See APPENDIX 55

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68. With the unification of the various arms of the military to form the Department of National Defence (D.N.D.), security matters were placed under the auspices of one section within the D.N.D. referred to as the Department of Security (DSECUR-3) and with whom the R.C.M.P. now liaise in matters of mutual interest. In 1971 a discussion was held with the newly appointed Head of DSECUR-3 who expressed a concern over the use of their information by the R.C.M.P. specifically relating to the possibility that one of their ex-members (military) may become aware that the R.C.M.P. was in possession of the D.N.D. information as the result of an interview. In this regard the D.N.D. representative was assured by the R.C.M.P. on 23 August 1971<sup>1</sup> that;

"it was not our intention to indiscriminately interview ex-D.N.D. personnel or jeopardize the position of D.N.D. as our source of information; that we would abide by any restrictions his office placed on the use of their information and that under no circumstances would we ever use their information in a manner that would identify D.N.D. as the source without their consent".

69. Subsequent to the understanding reached in the above paragraph, the R.C.M.P. has continued to handle and use D.N.D. information in the perscribed manner.

#### I. CONCLUSION

70. In summation, information dealing with homosexuality while falling under the broad category of character weaknesses, is and has been dealt with exclusively in a sub-section of "A" Operations of the Security Service, mainly because of the sensitivity of the related investigations.

71. While there has never been any exact government 'Terms of Reference' regarding the security approach to homosexuality, CD 35 provides the current basis for the R.C.M.P. activity and interest in this field using the operational guidelines provided by the Security Panel in 1960 as outlined in paragraph V.6 of this submission. Since the sixties, our approach to the matter has been strictly non-aggressive and low profile in keeping with these guidelines with our information emanating mainly from;

- (a) co-operating homosexual sources whose information has been deemed reliable,
- (b) the morality records of other police department,
- (c) criminal records, both R.C.M.P. and other police forces,
- (d) information gathered during the course of a field investigation from neighbours, references, friends, acquaintances, etc. of the person being investigated,

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1. See APPENDIX 56



- (e) foreign police and/or security organizations,
- (f) other Canadian government departments.

72. Information is forwarded in 'Brief' form to the Departmental Security Officer concerned upon receipt of an up-to-date Personal History Form which in itself suggests the person named in the P.H.F. is being considered for or is occupying a position with access to classified information in the Federal Government in accordance with the provisions of CD #35. The exception to this rule is when the Security Service is provided with information on a Federal Government employee identified as a known or suspected homosexual and on whom no previous security clearance has been recorded. In these instances the Departmental Security Officer concerned is contacted to determine;

- (a) is the person employed by that department and does he/she have access to classified information in accordance with the provisions of CD 35,
- (b) if so, we request an up-to-date P.H.F. to ensure identification and conduct where necessary an investigation, following which our information is forwarded to the Departmental Security Officer concerned.

73. There is one other exception to the procedure set out in paragraph 72 above and this involves information relating to Members of Parliament (M.P.'s) and Senators. The Security Service policy in these cases has been;

- (a) Although M.P.'s and Senators are not subject to security screening procedures, the Security Service feels obliged to pass to the Privy Council Office for the attention of the Secretary to the Cabinet, in the event the Prime Minister has a need, any information we receive which reflects on their loyalty or reliability,
- (b) The indiscretions of an M.P. or Senator could render him/her subject to blackmail or coercion by opportunists, political adversaries or hostile governments;
- (c) Such reports are provided for information purposes only, to be borne in mind in relation to the degree of access and the

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responsibilities of the officials concerned, eg. serving on sensitive Parliamentary or Senate committees, travelling to Communist Bloc countries etc.

74. The foregoing policy however is under review as the result of a case [REDACTED] which the Security Service reported in 1978. In this instance the Security Service followed the procedures they had in the past however, ensuing high level discussions, questioned the procedures, and at this point in time, have culminated with a meeting between the Solicitor General of Canada and the Director General of the Security Service with the latter advising in March 1978 that,

"The Minister, while appreciating the Prime Minister's requirement, was not comfortable with the fact that this sensitive information was restricted to senior officials and was of the opinion that it contravened his responsibilities as the senior Minister responsible for the political control of the R.C.M. Police. He fully appreciates the sensitivity and the delicacy of this information but wonders whether the system ought not to be changed to be a responsive one when an individual is being considered for an appointment, rather than the existing system.

The Minister advised that he would consult the Secretary to the Cabinet, and subsequently advise us as to the direction we should follow."

75. To date, the Security Service has not received any further advice that would suggest any type of a decision has been reached concerning the submission of such information relating to M.P.'s or Senators.

76. Lacking written 'Terms of Reference' for the sub-section's operations, a working arrangement has been developed over the years through the trial and error method. Developments in recent years however have had an important bearing on security policy as it relates to homosexuality. One has been the recognition of the rights of various minority groups an important factor in the evolution of the human rights legislation. Another manifestation of this development has been the establishment in the Public Service Commission of the

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Anti-Discrimination Branch, which has become a focal point for grievances concerning employment practices, including those where security is a factor. Second, has been the development of an increased permissiveness in various areas of human behaviour perhaps most dramatically in the attitude toward sex. Considering these developments and the ramifications thereto the question of homosexuality is currently being discussed by the Interdepartmental Committee on Security and Intelligence (I.C.S.I.) in line with a revision of Cabinet Directive #35, however, the outcome has not been finalized and therefore cannot be elaborated on at this time nor is it known if a 'Terms of Reference' will be decided upon for the Security Service in conducting this type of investigation.

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