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Disposition of recommendations
of the Mackenzie Royal Commission of Security

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Disposition of recommendations of
Mackenzie Royal Commission on Security

The Royal Commission on security recommendations are dealt with in the order in which they appear in the report.

(296). This recommendation concerns the establishment in the Privy Council Office of a formalized Security Secretariat with adequate status, resources and staff to formulate security policy and procedures in the context of general government policies, and more importantly, with effective authority to supervise the implementation of government security policies and regulations and to ensure their consistent application. The recommendation goes on to say that this Secretariat should be headed by a director responsible to the Secretary of the Cabinet who would maintain close links with and be advised by the Security Service.

Comment

This recommendation was given a thorough analysis by the then Assistant Secretary to the Cabinet, Security and Intelligence, Mr. Don Wall, in a memorandum addressed to Mr. Robertson on the 26th of March 1969. In their report the Commissioners had taken issue to some degree with the principle of departmental responsibility for security stating that the observance of this principle had clearly led to varying standards of departmental security. Then, after considering and rejecting such alternatives as a centralized system under the direct control of a security service, they concluded that a general policy of departmental responsibility is necessary if an adequate standard of security is to be achieved but posed a number of prerequisites:

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- (1) each department must prepare security regulations in accordance with its own requirements,
- (2) create an effective security organization headed by a trained security officer at an adequate level of seniority within its own structure appropriately related to the rest of the departmental organization and, finally, deputy ministers and heads of agencies should regard it as one of their personal responsibilities to ensure that their departments have effective security organization and regulations.

Comment

While there as no quarrel with the prerequisites stated by the Commissioners, it was felt that some of the points raised were already in effect, for example, under Cabinet Directive 35. Mr. Wall, referring to that policy statement which contain the principle of departmental responsibility, went on to say "I believe that this is a sound principle and that the total adoption of the Commissioners recommendation for formalized security Secretariat could result in a serious erosion of the principle". Wall admitted, however, that the present arrangements for the seeking and giving of advice on security matters could be improved. It seemed to him that the centralization in the Privy Council Office or elsewhere of the supervisory and control aspects of the security function would tend to confuse lines of responsibility and create a somewhat negative and even adversary relationship between the Secretariat and the

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responsible departments and agencies. He then went on to say that he could not think of the replacement of the present Security Panel and its Secretariat by a group of four members of the staff of the Privy Council Office with executive authority who would be found to be acceptable to the fifty odd departments and agencies concerned with security, considering their widely varying requirements for security measures. He also felt that while the kind of centralization suggested might appear to increase "efficiency" in terms of the consistent application of security measures, the probable effect would be a reduction in real efficiency through a loss of flexibility and the probable development of a tendency, through too formalistic an approach, to grant to security problems a priority which they sometimes would not deserve. He thought also that the kind of specialization recommended by the Commissioners would lead inevitably to the development of "professional enthusiasts" whose natural inclination would be to permit security matters to take on a life of their own, unrelated to other matters which may be of equal or greater importance, and that it seemed very desirable to avoid that kind of "tunnel vision" particularly an area that touches individual lives and careers.

Wall's counter-recommendation was that any Secretariat responsible for coordination advice and policy formulation in the field of security should remain a part of the Privy Council Office, partly because of the general nature of the function of this office as a central coordinating mechanism of government, and partly to ensure that continuing

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and hopefully objective advice would always be available to the Prime Minister who must in the last analysis retain the final responsibility for national security. He then went on to say that to place such a Secretariat in any other department would lead inevitably to conflicts of interest and most particularly in the department of the Solicitor General which is responsible for the security service. As for the size of a revised Secretariat, Wall admitted that some expansion would be justified. He did not admit the desirability of "authority" being given to the Secretariat. He admitted, however, that the Secretariat might not have made sufficient effort to encourage departments or agencies to seek expert advice from it before individual problem cases had reached crisis or near crisis levels and that this situation would be corrected.

Wall, further recommended that the government take the position that the Secretariat of the Privy Council Office would be strengthened and that its terms of reference would require it to perform the functions recommended by the Royal Commission with the following exceptions:

- (1) the allocation of resources for security measures would remain a departmental responsibility, although the advice of Secretariat would be available on request;

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- (2) the Secretariat would assist in resolving conflicts between the interests of security on the one hand and departmental interests on the other, but would not be the final arbiter in such cases, as to do so would conflict with ministerial responsibility;
- (3) the Secretariat would issue and coordinate the application of security regulations, but would, for the same reasons as in (2) leave the enforcement to departments;
- (4) the Secretariat would continue to provide a link between the Security Service and government departments but the link between the Security Service and the public should be provided by the department of the Solicitor General;
- (5) the Secretariat would provide administrative services for any machinery established to review administrative decisions relating to the security of personnel, but would not be responsible for the "operation" of such machinery except in an administrative sense.

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The last words recorded regarding this recommendation appear in a memorandum addressed to the Prime Minister by Mr. Robertson on the 12th of November 1969 in which he reviewed once more the principle of ministerial responsibility in regards to individual security issues and problems. He reviewed also very briefly the role and responsibility of the Prime Minister in matters of security that would effect the government and nation as a whole and his function in balancing conflicting considerations. Mr. Robertson recognized the responsibility for the investigative and operational aspects of security as being a matter which rested quite clearly with the Solicitor General as the minister responsible for the RCMP. However, he thought it would be a most serious mistake to enlarge the jurisdiction of the Solicitor General by making him responsible for the other very important functions in relation to security, namely, the provision of advice upon the formulation of security policies and procedures and the coordination of their implementation.

Mr. Robertson summed up his views as follows "in order to carry out responsibilities for security, it is necessary that the Prime Minister has the staff support required. It need not be large, but it must be well informed, and to do so must be able to draw on the resources of all departments and agencies which have responsibilities in the field of security. He then goes on to say "it seems to me that the logical source of advice to the Prime Minister and to the Cabinet on security matters lies in a Secretariat based in the Privy Council Office which would also serve as a coordinating mechanism for the interdepartmental security panel and the cabinet committee on security and intelligence". The Prime Minister indicated quite clearly on the memorandum that he agreed with the views expressed by Mr. Robertson.

Mr. Wall's approach to the Royal Commission recommendation for which he reviewed support from Mr. Robertson and the Prime Minister is in effect, what followed.

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In November 1969 the Secretariat was augmented by one person of experience in the field of security operations and a good deal more time has been devoted over the span of years to focussing on the issues and problems with which departments and agencies are confronted on a continuing basis and the record does indicate that guidance, if not direction, was enhanced from that point onward although always within the same framework of security policies which, in effect, have not changed significantly since. The Secretariat has continued increasingly to be a useful arbiter in conflicts that might have arisen as a result of the requirements of security on the one hand and departmental and other interests on the other. The word arbiter may be a little strong in this case but perhaps the Secretariat has been more of a conciliator, for example, in cases where departments have been faced with the responsibility of reacting to an adverse report received from the Security Service to which they found some difficulties initially with the interpretation of the report and secondly with the means to take in order to respond to this adverse report.

Further, in the area of personnel security clearances and associated activities, the Secretariat has been involved increasingly and on a very regular basis in monitoring the appointment of DSO's, by sitting on selection boards as well as by assisting deputy ministers and heads of agencies, Royal Commissioners and Task Forces on the quality and prerequisites to look for when in search of a DSO. To encourage and facilitate communications, the secretariat prepare and issues periodically an official list of departmental security officers with an appropriate annex indicating all those involved in any form of security in the department ranging through the personnel clearance process through to the physical security arrangements, electronic data processing security, communications security, etc.

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The secretariat briefs all newly appointed security officers in their new role. The briefing consists of an indoctrination to point out clearly to them the overall security committee organization, its particular role working from the cabinet committee down to inter-departmental committee to the working committees of the various major committees and also, of course, making quite clear the role of the Privy Council Office Security Intelligence Secretariat. In extending personal assistance, we offer also advice on the organization of a security office, its management and procedures in all areas of security from administrative security practices to the use of guards.

Since 1969 the Secretariat has prepared and published a substantial number of memoranda to Deputy Ministers and their security officers which cover pretty well the whole range of security activity provided for in policy guidelines. In addition, the secretariat has established increasingly effective security quality control on the recruiting and employment of Canadian Corps of Commissionaires Guards. It has addressed departments and agencies on the use of document shredding and destruction equipment and other security hardware. Prior to that, it dealt with the phenomenon of bomb threats, how to respond to them whether the threat is to a public building or aimed at persons in the form of letter bombs. It has dealt with the administration of personal security records and their transferability as employees move on from one department to another, a policy that did not exist prior to 1969. As a member of the communications electronic security committee, the Secretariat was instrumental in preparing a policy paper on the threat to the security of Canadian Government telecommunications in 1973. In 1971 and 1974 the Secretariat proposed to the Prime Minister a security policy in regards to persons to be appointed by Order in Council, a policy which the Prime Minister personally endorsed. The secretariat also finds itself involved in providing advice to government departments and

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agencies on the proper police force to address in the National Capital Region when the need arises. These are but a few of the security activities in which the secretariat has been highly involved, not only in providing ideas but also in the form of assistance to committees and working groups. The secretariat has also been involved in initiating policy and procedure which have enabled departments and agencies to function more smoothly, more uniformly and more consistently right across the Public Service of Canada. In early 1978 with the advent of the Canadian Human Rights Act and the promulgation of Part IV on the 1st of March, the Secretariat was involved in preparing procedure in regards to the treatment of exemptions under Section 53 and 54 and developing a means by which the rights of the individual could be respected while, on the other hand, assuming that the exceptions authorized by a Minister in the national interest were well understood and applied according to the provisions of the Act. In summary, it would appear that what is going on at the moment, although it is done with meagre human as well as other resources, answer in large part the recommendation made by the Royal Commission in terms of the nature, character and activity of the Secretariat.

(297)

The Royal Commission's recommendation for the establishment of a new civilian non-police agency to perform the security function in Canada is often referred to as the central recommendation of the Royal Commission. It proved unquestionably to be the most controversial (at least to the RCMP). Basically the Royal Commissioners were of the opinion that a security service should be quite separate from a police organization and should not have law enforcement powers although it could operate in close liaison with the RCMP and other police forces. They based their proposals in large part on their conclusion that there are wide differences between police and security duties and that these differences "should be reflected in recruiting methods, in training and career patterns, and in organizational structures". They further concluded that,

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although it was almost impossible to measure the effectiveness of the security service, particularly in the important fields of counter espionage and counter subversion, the effectiveness of procedures for the security investigation of persons appeared to be capable of improvement. They felt for example, that security clearance investigations conducted by civilians would be regarded with more understanding by the general public than is the case when the inquiries are conducted by a policeman.

Comment:

After careful consideration of all the factors relating to this recommendation, the government came to a conclusion that current and foreseeable security problems in Canada could be better dealt by the RCMP through appropriate modifications in their existing structures rather than by attempting to create a wholly new type of service. The government took the stand, with the full agreement and understanding of RCMP, that there should be a growth and development of the Directorate of Security and Intelligence as a distinct and identifiable element within the basic structure of the force. The RCMP would also undertake to develop the security service by drawing from police personnel those with suitable qualification and character and to retain administrative, research, documentation and other services. The force further undertook to develop more flexible policies in relation to recruiting, training, career planning and operations calculated to ensure that Canada's security services would be capable to deal fairly and effectively with new and complex security problems.

The first major move by the government in regards to the implementation of a new approach to the security service was the appointment on the 1st of January 1970 of the first civilian head of the RCMP Police security service in the person of John Starnes, a retired Canadian Diplomat.

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Since early 1970, the separation of the security service from the police element of the RCM Police has been increasing very much along the lines suggested by the Mackenzie Commission. In the spring of 1975, the security service got its first detailed terms of reference from the government and a year later became a distinct entity within the force with direct line of access to the Prime Minister as well as to its own minister and the Secretary to the Cabinet. The RCM Police security service now is doing most, if not all of the things that would have been charged to a new civilian service.

(298) The recommendations of the Royal Commissioners in regards to the government security personnel screening program are largely a suggestion to reinforce some areas of the policy on security clearances and it introduces no major or novel ways to improve upon it.

The government has not given serious thought to the introduction of a universal screening program of new recruits. This recommendation was in fact strongly opposed by the PSC on the grounds that the vast majority of public servants are employed in non-security sensitive areas.

In the area of standards of inquiries to clear someone to the level of SECRET or CONFIDENTIAL, in addition to suggesting the continuation of the present practice of checking a personal history form against subversive indices and fingerprints against central criminal records, that there should be a check done with referees or previous employers of the applicant if this had not been done through the personnel selection process. This part of the recommendation is better suited to the staffing process and the PSC is reinforcing its procedures to meet this requirement.

A further recommendation suggests that a clearance should be subject to review periodically. At the moment, there is no provision made in current policy for review except where there is a significant change that is known

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to have taken place in a person's life which would introduce an influence factor to be considered and possibly referred to field inquiries. On the other hand, while compulsory review is not included in the current government policy statement, it is becoming almost common practice for departments to review clearances granted every five years or so. In the case of employees in National Defence and External Affairs who have access to NATO clasified documents, our agreement within NATO is to review clearances every five years.

The Commission observed in its research the fact that RCM Police security service when providing an adverse report in a given case usually did not or seldom commented on the validity, relevance and importance of the information submitted. This is an area where, in fact the security service have improved the qualities of their reports. They are now providing a clear assesemnt of the reliability of their sources, a comment on the relevance and importance of the information and a formal recommendation on whether or not clearance should be granted. If a department chooses to grant a clearance contrary to the recommendations of the Security Service, it must so inform the security service who in turn may bring that department's decision to the attention of the Security Secretariat. In fact, since 1969 there have been relatively few seriously contentious cases and all were resolved through a conciliation process usually initiated by the PCO secretariat. Further, the Secretariat has undertaken, on long term basis, to examine every adverse case on the basis of the report originated and the action taken by the responsible department.

The rejection criteria suggested by the Royal Commission on security reflects to a large extent the practice which has been followed for a number of years in almost all areas. The areas that presented problems at the time of that Commission continue to be problems that will never be resolved

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to the satisfaction of all. For example, the question of homosexuality is still being looked at as objectively as possible as is the case of separatism. At what point does a homosexual or separatist become a security risk to the national interest? Each case is different and has to be considered in light of all relevant factors including the nature of the position and its geographic location. There are cases on homosexuals employed in sensitive jobs as there are federal public servants with manifested sympathies for separatism employed in sensitive areas. These cases, however, have all to be considered seriously, the risk minimized by the employer and are subject to periodic review.

The commission recommended that inquiries on university campuses should not be dealt with any differently than those conducted in any other milieu. The government has continued to honour the commitment that it made in the early sixties not to conduct inquiries on university campuses unless there were compelling reasons.

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(299). Of all of the recommendations made by the Royal Commission on security, none received more attention and commanded more effort than the one concerning the creation of a security review board. The recommendation which was well conceived by the Commission and appealing to the government which accepted it and directed that all efforts be made to implement it. However, the most concise expression of the difficulties that presented themselves in setting up such a board are best illustrated in a memorandum written by Mr. Harry Johnson formerly of the PCO Planning Secretariat and now the Secretary of the MacDonald Commission when he said in an internal memo: "as you know, the requirements to ensure that national *national* justice is done are really quite minimal. The whole idea is that the board's exercising the quasi-judicial function should not be restricted by the rules of evidence of a court of law. However, included in the minimal requirement is the one very basic proposition that, in the absence of specific legislation to the contrary, the state through its emmanuensis must not deprive an individual of its rights and liberties without providing him an opportunity to refute the evidence submitted against him". So after two years of study, the work on this recommendation was discontinued although it had reached the level of a draft bill which was never introduced in the House. A further review of this recommendation was undertaken in early 1975 but the problems encountered earlier proved insurmountable. However, in so doing it was realized

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that a requirement which was set in the amendments to the Financial Administrative Act in 1967 to clarify and establish the powers of Treasury Board in relation to personnel management, a sub-section was inserted in the amendments to protect the power of the Governor in Council to suspend or dismiss persons "in the interest of the safety or security of Canada". The formulation of the sub-section was such that, in preserving the powers of dismissal, it specified that it was to be pursuant to "an inquiry conducted in accordance with regulations of the Governor in Council by a person appointed by the Governor in Council". It appeared that the effect of the amendment on existing procedures, namely the review procedure under the Cabinet Directive 35, was not adequately appreciated at the time and no regulations were passed pursuant to the revised legislation. It was only in this review of the possibilities of following the Commission's recommendation for a security review board that this came to light and regulations were drafted and approved by Cabinet on the 27th of March 1975 and circulated to all departments and agencies in May of that year.

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(300). Immigration

The Deputy Minister of Immigration has described in great detail the disposition of the Royal Commission recommendations concerning immigration. (Copy attached). The arrangements are extremely complex and difficult to generalize about. In general, it seems the recommendations were kept in mind when the new immigration legislation, proclaimed in April, 1978, was formulated, and it seems that the new Act has gone a long way to meet the concerns of the Mackenzie commission. For example, the Special Advisory Board, established by the new Immigration Act, provides outside reviewing of, and advice concerning, security problems relating to immigrants. Further, changes in legislation concerning sponsorship and nomination of immigrants, and the operation of the Immigration Appeal Board, seem to have eased at least some of the difficulties that previously existed in providing appeal rights. In the matter of grounds for rejection of applicants, on the recommendation of the Minister, Cabinet approved (March 27, 1975) security rejection criteria along the lines proposed by the Royal Commission, and these are reflected in the new legislation. The Royal Commission recommendations concerning Chinese immigrants have been overtaken by the changes situation following recognition of the People's Republic. One areas of difficulty - appeal rights for applicants for landed status - seems to have virtually disappeared because visitors in Canada can no longer apply.

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(301). Citizenship

The Under Secretary of State has reported that the new citizenship legislation (proclaimed February 15, 1977) provides for refusal of citizenship in cases where it "would be prejudicial to the security of Canada or contrary to public order". No security cases have yet been dealt with, but he says the Royal Commission recommendations will be drawn to the attention of the Minister when he deals with pending cases. Mr. Juneau also points out that there have been no citizenship cases of rejection on security grounds since 1974. This no doubt relates to the policy of Mr. Faulkner, as Secretary of State, that rejection of applications for citizenship should only be considered where persons were "actively engaged in violence-prone groups, terrorist activities or persons known or suspected of being involved in espionage activities". This represented a considerable narrowing of the criteria for rejection which had previously been used.

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Passports

302. (a) (Proof of Canadian birth or citizenship when applying for a passport)
- Upon tabling of the report the SSEA issued a press release indicating it would thenceforth be necessary for passport applicants to present birth certificates, citizenship certificates or some other acceptable form of identification. This was immediately enshrined in Passport Regulations and passed to all posts and passport offices.
- (b) (That all applicants for passports normally be required to appear personally before an appropriate official)
- This recommendation was not adopted because it was not practical. Although regional offices have been set up, the geography of Canada is such that it would pose a particular hardship on many people if it were necessary to appear in person to acquire a passport. Regional offices are not permitted to process mail applications (only headquarters can do so); they can however provide passports to those individuals who appear in person.
- (c) (That a lost passport not be replaced until the validity of the original expired)
- This recommendation has not been totally implemented. Replacement passports are in fact issued before the original has expired. To do otherwise would pose a hardship on Canadians who for example, travel a great deal for professional reasons and who do lose passports from time to time. New regulations however have tightened up the system so that the more passports one loses, the more difficult it becomes to obtain another one. ~~These regulations have not gone as far as the~~

What proportion of passports is issued as result of mail applications?

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~~recommendation would have allowed~~
~~but they are considerably better~~
~~than what existed before.~~

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(303). The Commission's recommendation regarding the review of departmental and agencies security programs and practices have been implemented in part; however, there are certain points which I will discuss that have not yet been resolved.

The first point made by the Commission deals with the creation in each department of an effective security organization headed by a trained security officer at a sufficiently senior level. This can be said to have been generally but not fully implemented. Every department and agency have since appointed a departmental or agency security officer within the term of Cabinet Directive 35 to deal with the security clearance program, however the vast majority of such departmental security officers are still part-time security officers drawn from management ranks generally with little related experience on the subject. As these appointments are made they are referred to the Security Secretariat of the Privy Council Office for thorough briefing on security policy and the means by which they can best be implemented. It must be recognized, however, that with the exemption of some of the major departments such as Defence, Immigration, External Affairs who have a massive security program, the majority of others have very little real operational concern except in some small and specific areas of their operation and the possibility of departmental security officers acquiring the kind of experience that is suggested by the Royal Commission is both unrealistic and impractical. This does not appear to be a major problem, however because such officers know now when to refer to the Security Secretariat for assistance.

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A second point made by the Commission concerned the preparation of departmental security regulations based on the regulations issued by the Security Secretariat but responsive to departmental requirements. This sort of procedural guidelines have been drafted generally in all departments and a review which was conducted recently by the Secretariat leads to the conclusion that most departmental and agencies regulations do meet the requirements for which they were prepared.

The third point which is made by the Commission concerns the training of departmental security staff and for other selected senior officers which under the terms of the recommendation of the Royal Commission would have been provided by the civilian security service. The RCMP security service have, in fact, for a number of years, conducted seminars on a yearly or bi-yearly basis. While these have proven useful as an introduction to the organization of the security service and the type of co-operation that the Security Service expects of departmental security officers, it does not provide sufficient guidance to deal with individual problems, a matter which is and continues to be dealt with probably more satisfactorily through the Security Secretariat.

The fourth part of the recommendation is to the effect that expert security advice should be given to departments including, if necessary, the secondment of officers from the Security Service to departments for period of time.

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Now, under present arrangements, there is expert security advice readily available from or through the Security Secretariat. But no situation has arisen since the submission of the Mackenzie report which would have made it desirable that the Security Service second a member of its force to a department or agency.

The second part of that recommendation suggest an inspection and audit of departmental security measures to be carried out by protective security branch of the Security Service. As long as security is a departmental responsibility this is not a recommendation capable of application. However, the Security Service is available to assist departments and agencies on request. The implementation of such recommendations as they may make, however, is left up to the departments and is not subject to a later inspection or audit.

The third part of that recommendation states that it is a matter of urgency that the RCMP and the Privy Council Office should after re-examination of security regulations and consultation with departments prepare new security regulations for promulgation by the government. The review of security policies, procedures and practices have been going on for several years and presents a number of problems with which the Secretariat as well as the Security Advisory Committee are now at grips.

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In regards to the recommendation aimed specifically at the Department of National Defence that the Armed Forces Security Investigation Service should be responsible for the investigation only of uniform personnel or potential recruits of the forces and its standard of investigation consistent with those of the Security Service is one which has not been implemented because it relates to the central recommendation of the Commission dealing with the creation of a civilian Security Service which the government did not accept. Since the beginning of the security clearance investigation program in 1946 the Armed Forces have been recognized as an authorized security investigation agency and have traditionally conducted their own investigations not only on uniform personnel but on its civilian employees as well. The quality and standard of investigation is comparable to that provided by the RCMP Security Service and in fact should continue.

The DND attitude in regards to separatism is that the problem of separatism in the Canadian Forces is to be treated within the broad range of political activity. A member who advocates or supports separatism commits no offence as long as he restricts his activities to voting for any candidates or contributing any monies to any candidates or party which is pursuing its objectives through constitutional means. Nevertheless, it is viewed that since one of the aims of DND is to contribute to National Unity it is DND policy not to employ such a member in a position where he or she could further the aim of a separatist organization either by influencing policy, by providing information to the organization on which to base its plans or policies, or by indoctrinating trainees in separatist goals.

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DND has therefore not accepted to implement the Commission's recommendation that person's currently engaged in separatist activities should not be permitted to join the Armed Forces and should be released if they are found to be members of the Armed Forces.

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External Affairs

303(a) (i) (Creation of departmental security organization)

A security organization has existed within External Affairs since 1954; however, it was expanded and re-organized in 1970-71 and a Security Services Division created to meet evolving departmental requirements.

(ii) (Preparation of departmental security regulations)

External Affairs had departmental security regulations for a good number of years before the Mackenzie Report. The manual has been revised and up-dated during the past year and will be re-issued in both official languages this summer.

(iii) (Use of advice and training from the Security Service and security training within the Department)

External Affairs security sections have for a long time drawn upon the resources of the Security Services for various forms of assistance. The Department itself conducts security briefings and training for its personnel. The Department has increasingly circulated to all personnel at posts, circulars and brochures dealing with such matters as letter bombs, threatening phone calls, security at home etc. Most of this information has been condensed into a booklet which is given to personnel going on posting.

(iv) (Use should be made of Security Services personnel within the Department including secondment)

External Affairs security sections have, over the years, taken on strength a number of former RCMP employees and, in 1974, accepted a full time RCMP liaison officer secondment. In turn External Affairs started seconding its own liaison officer to the RCMP in 1977.

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- (b) (Auditing by the Security Service of departmental security measures).

This recommendation has never been implemented at External Affairs largely because of considerations specifically related to the conduct of foreign relations. The department has its own rather elaborate security inspection and auditing facilities. As you know, the Security Advisory Committee recently agreed to exempt diplomatic and consular posts abroad from the audit role of the National Security Service, in the draft security directive which is now before the Prime Minister.

- (c) (Consultation by RCMP and PCO with other departments to prepare new security regulations, to implement them within a specified period and then to assess their effectiveness).

The Department has participated in inter-departmental discussions on establishing government wide security regulations and procedures. These talks, based on PCO guidelines Security of Information in the Public Service of Canada, have been going on in various forms since 1956. However, as mentioned above, External Affairs has its own set of security regulations, which are fashioned to meet the unique requirement of this Department but are nevertheless compatible with government security policies. In addition, every post has its own set of security regulations and procedures tailored to local requirements. These regulations are audited by Headquarters.

- (d) Non-applicable in the absence of agreement in part (c).

- (e) (External Affairs should establish a Security Divisi

Reference to this has already been made above. Although no specific government directives were received on the subject, the re-organization of the Departments' security and intelligence sections in the early 1970's, (they were separated from the former "Defence Liaison" divisions), recognized both the importance of better utilizing intelligence analysis and the growing importance of up-grading physical and personnel security as well as personal safety measures. The Department has received guidance instructions and support for these considerations from Treasury Board, the Privy Council Office and the Interdepartmental Committee

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on Security and Intelligence. Most security related measures, however, have come from within the Department.

(f) (Responsibility of Heads of Post and Post Security Officers)

The security related responsibilities of both the Head of Post and the Post Security Officer have always been a part of the External Affairs Manual of Security Regulations.

(g) (Level of a Post Security Officer)

The Post Security Officer, depending on the size of the mission, has been and still is generally someone of at least First Secretary rank with previous posting experience. Recently the Department has provided more formalized training for Post Security Officers.

(h) (More attention should be paid to physical security abroad)

Work started in earnest on this matter in 1964. It, of course, received proportionately greater attention with the growth of various forms of international terrorism and other violence directed against diplomatic missions. During 1970-71 in particular there developed considerable momentum for improving physical and personnel security standards at posts. Particularly during the last three years, the Department has budgeted increased amounts for the general strengthening of our missions.

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Industrial Security

- (304). (a) Field Industrial Security Officers' strength has increased from two to four officers. Revenue dependency, which has brought into question the extent of our requirements for cleared facilities, has resulted in a reduction in the overall number of such industrial facilities. Inspections are scheduled on a regular basis and updated to ensure compliance with all security requirements. The Branch reports to the ADM, Commercial Supply with direct contact with both Deputy Ministers, as required. As industrial security is essentially a contractual matter since WW II, removal to D.N.D. has not been actively considered.
- (b) No evidence of antagonism reported in 1969 appears at present. Industrial input to regulations and procedures is sought and acted upon. Some problems exist however in government delays in issuing new or updated policy (e.g. Personnel Security - expected two years ago and industry informed of this, only to find the present delay due to other related factors, such as Freedom of Information or a General Review of Security Policy).
- (c) Clearance procedures for industrial workers are essentially the same as for public servants.

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Fingerprints have been recommended and Cabinet approval is expected. Review procedures are similar except that a company has the right to hire and fire its own employees. DND, PCO and RCMP also participate in meetings with industry.

- (d) Delays in clearing industrial workers have been greatly reduced. However, it is not always possible to meet the probationary employment periods of some firms.
- (e) Seminars and courses are conducted for company security staff and special briefings arranged for management and marketing officers. Resource personnel from RCMP, DND, PCO and Ministry of the Solicitor General also participate. There is no formal requirement that a classified contract be issued only to a company with a "recognized" Company Security Officer because of the great diversity of companies on classified work. However, all new Company Security Officers either attend a departmental course in Ottawa or, a local course to ensure they understand the security requirements of their company's classified work.
- (f) Canadian and U.S. Industrial Security procedures have been streamlined, as more complex requirements have arisen. (e.g. Long Range Patrol A/C and New Fighter A/C projects) Meetings of security officers from both countries are held regularly under Research, Development and Production Sharing Agreement and other special requirements.

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- (g) Downgrading and declassification programs have been developed and a large number of classified documents are disposed of on a regular basis. Senior Industrial representatives meet with Branch officers to review the procedures contained in the Industrial Security Manual and discussions with our largest customer (D.N.D.) occur frequently.
- (h) No formal action has been taken to implement audits of industrial plants apart from the departmental program. It is possible this may materialize, when the new policy has been issued by Cabinet to cover both national security and civil security aspects. A closer relationship has developed between the Security Branch D.S.S. and R.C.M.P., in the field of EDP security in industrial facilities, during the past few years and this is expected to expand, as "civil security" aspects become clearer.

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(305). The Commission's recommendation on security of information touch upon a number of practices which have generally been improved over the years but have still to be considered within the framework of a revised government policy on information. This revision is ongoing.

- (1) The Commission recommends that the classification RESTRICTED be abandoned and any document that contains information which should be protected as a classified document should be CONFIDENTIAL or higher. This is in fact the current practice except in DND where RESTRICTED is still in use.
- (2) In regards to the responsibility for declassifying documents, the responsibility rests with individual departments who should pursue this declassification not necessarily as a distinct program but as necessary. This is a problem that has been with the government for a number of years and the requirement of down grading or declassifying documents on a program basis would require major and excessively costly measures to be taken.

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- (3) The third point made under this recommendation concerns administrative security arrangements and touch upon such things as the centralization of arrangements of document copying facilities, the means of assuring the safe custody of classified documents, the physical separation of highly classified information in special areas where access is permitted only to cleared personnel and, finally, paying strict attention to the need to know principle in the dissemination of classified documents. This is all generally done and done satisfactorily.
- (4) The fourth point touches upon the government policy on release of official documents for historical or other research. On 1 May 69 the Prime Minister informed the House of Commons of the 30 year rule and in cabinet approved the policy of making available to the public as large a portion of the public records of the Canadian Government as might be consistent with the national interest. The details of this directive was made public and is the subject of an interpretation as well as a program of transfer of public records through the Historical Branch of the Public Archives of Canada.

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(5) The fifth point made concerns a national policy and procedures concerning the release of classified information to other nations. The present policy is to release on a case basis with the possibility of reciprocity in mind. There does not appear to have been any need to review this policy and the matter has not been actively pursued.

(6) The last recommendation under this item is that consideration should be given to a complete revision of the Official Secret Act. This matter has been in the hands of Justice since 1969 and while some useful work has been made in this connection a new Act has not yet been prepared for consideration.

(306). This recommendation deals with Physical, Technical and Communications Security Sources and Techniques. The first point deals with buildings containing classified material and that such buildings should be protected at all times by appointing or placing security guards where necessary and having such other measures as escort systems in more sensitive buildings. This is a practice which has been established in the more sensitive areas and is working quite effectively.

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The next point relates the combining of technical security agencies to form a section of the protective security branch of the Security Service. The Technical Security Services of the Department of National Defence, the Department of External Affairs and the RCMP were combined in 1974 to work under the direction of the RCM Police Security Service. This has assured the best possible use of available resources and facilities.

The last point concerns arrangements to be made to permit the examination of the mail of persons suspected on reasonable grounds of being engaged in activities dangerous to the security of state and that such examination should be conducted only on the authority of the designated minister this is a matter which is now before the MacDonald Commission and is also the subject of a bill currently being debated in Parliament.

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