

① Give me proposed revisions.  
② Can we move more quickly to remove the reference to "close ties" behind Iron Curtain? Or is that particularly c-p/a?

CONFIDENTIAL

November 22, 1979.

MEMORANDUM FOR THE PRIME MINISTER

Personnel Security Clearance: Cabinet Directive 35 (1963) and its replacement

In 1963, when Prime Minister Pearson outlined in the House, in general terms, the security clearance policy set out in Cabinet Directive 35, he emphasized the problems involved - particularly in relation to the rights of the individual:

- "Security is one of those things that is essential and, at the same time and in some respects, rather distasteful."
- "It is in this area of personnel security that most of our difficulties lie, in which government responsibility is, I think, heaviest and perhaps most difficult to discharge."

There were two main innovations in the 1963 directive, as compared with its predecessors: a requirement to inform the person involved when his security or reliability were in doubt and might have to involve dismissal; and, a "second look" by a review body, to recommend to the responsible Minister when dismissal was being considered on security grounds.

Over the years since 1963, a number of aspects of the policy administered under CD-35 have been criticized, and the criticism has grown in volume and intensity with the development of the human rights movement. I would draw the following to your attention:

- (a) The criteria for deciding on loyalty and reliability for access to classified information, particularly reliability.

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- 2 - CONFIDENTIAL

In the latter area "*features of character*" (including "*illicit sexual behaviour*"), and "*close ties of blood or affection*" to persons in communist countries, are set out for consideration in deciding on clearance.

- (b) The requirement for a fingerprint check of persons to be considered for access to classified information (except for persons in industry).
- (c) The requirement for completing a personal history form by persons considered for access. (In particular, questions concerning marital status and relatives, and concerning visits to communist countries, have caused offence.)
- (d) The application of the policy to persons requiring access who are outside the public service, e.g. in defence industry, and to whom review mechanisms applicable to the former are not available.
- (e) The absence of a comprehensive independent review procedure in cases where a person is denied access, and whose career might suffer as a result. (The existing independent review procedure applies only to dismissal cases.)
- (f) The fact that the policy has been improperly used as authority for reliability checks on persons requiring access to sensitive, but not national security information.

CD-35 has been under review for many years. In 1977 a revised directive was submitted to Ministers, but referred back to officials for further work, particularly in those areas dealing with the criteria for determining loyalty and reliability, and the provisions to ensure fairness to non-public servants who are refused access.

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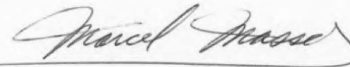
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- 3 - CONFIDENTIAL

Since that time the revision of CD-35 has been incorporated into the larger "SPUR" project, which I drew to your attention in relation to the "Nixon guidelines". The main purpose of SPUR is to develop, for Ministers, proposals for a comprehensive security policy, including improved arrangements for classifying information, and, obviously closely related to this, improved arrangements for security screening of persons requiring access to such information.

In view of your concerns and those of your colleagues resulting from the recent difficulties over the "Nixon guidelines", as well as with various sections of the directive, priority should be given to revision of the personnel security clearance policy set out in CD-35. As you know, personnel security screening is an area where the Security Service has requested guidance in relation to its mandate. This aspect of the Security Service guidelines will be dealt with by the CCSI in the near future, and it would seem appropriate that proposals for revision of CD-35 be developed as quickly as possible for consideration by Ministers at the same time - perhaps within the next month.

Yes | If you think this appropriate, I will ensure that the necessary work is done by officials.



Marcel Massé

Privy Council Office,  
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