

CONFIDENTIAL

SECURITY PANEL

The 54th meeting of the Security Panel was held in the Privy Council Committee Room, East Block, on January 11th, 1955, at 10:00 a.m.

PRESENT

Mr. C.M. Drury	(Chairman)
Deputy Minister of National Defence	
Lt. Col. Laval Fortier	
Deputy Minister of Citizenship & Immigration	
Mr. R.G. Robertson	
Deputy Minister of Northern Affairs	
Mr. D.A. Golden	
Deputy Minister of Defence Production	
Commissioner L.H. Nicholson	
Royal Canadian Mounted Police	
Mr. M.H. Wershof	
Department of External Affairs	
Mr. P. Pelletier	
Assistant Secretary to the Cabinet	
Mr. P.M. Dwyer	(Secretary)
Privy Council Office	

ALSO PRESENT

Lt. Col. W.A. Todd  
Department of National Defence

Mr. G.G. Crean  
Department of External Affairs

Mr. L.C. Cragg  
Department of Defence Production

Inspector K.W.N. Hall  
Royal Canadian Mounted Police

Security Screening of Government Employees

The Panel had before them a draft Cabinet Directive prepared by the Security Sub-Panel on security policy and procedures in the public service, designed to supersede Cabinet Directive No. 24 of October 16, 1952, together with an explanatory memorandum by the Secretary.

(Security Panel Document SP - 163B)

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2. The Chairman of the Security Sub-Panel said that three important changes in security policy and procedure had been included in the draft directive by the Sub-Panel. These were: (i) the extension of limited security measures to positions in organizations controlling means of mass communications and in some other related fields where there was no access to classified information; (ii) a requirement that employees might be dismissed from the public service only after the advice of the Panel had been sought; and (iii) a requirement that satisfactory references should be obtained by departments and agencies before an employee be given access to classified information.

3. Mr. Pelletier said that the Panel had previously agreed that in departments and agencies controlling means of mass communications controls should in future be exercised to prevent employees abusing these facilities by using them to spread subversive doctrines. Because of the difficulty of defining the risks involved it had been thought desirable that no dismissal should be made until the advice of the Panel had been obtained.

4. Commissioner Nicholson thought that this was in principle an important addition to security policy and one which was justified. He felt, however, that the related proposal to make the advice of the Panel mandatory in such cases might alter the principle whereby security was a departmental responsibility. He recognized, however, that these cases were often exceptionally difficult to judge and would not therefore press his view further at this stage.

5. After further discussion the Panel agreed that the paragraph containing this recommendation for an extension of security controls should remain in the draft directive with one emendation noted by the Secretary.

6. Mr. Pelletier said that the new draft directive contained a provision that no dismissal should be made of permanent employees from the public service until the advice of a quorum of the Security Panel had been obtained. The final decision would, however, remain a departmental responsibility. The Sub-Panel was of the opinion that this requirement would go some way to meeting the criticisms of advocates of an appeal procedure, though it was in fact only a system of review. In addition, it had been considered an additional protection for the individual and a method of ensuring greater uniformity. The device of the quorum had been recommended in order that the Commissioner of the R.C.M. Police should not be asked to pass judgement on a case based upon information provided by the Force.

7. Commissioner Nicholson was of the opinion that this proposal, even more than the recommendation previously discussed, would change the terms of reference of the Panel which would no longer remain the purely advisory body it had been frequently said to be in public statements. He felt that if there was to be a change in policy it should be radical, and should take the form of a recommendation to establish a board of appeal of the kind in existence in the U.K. and the U.S.A. The present proposal would create neither an advisory nor a judicial body, and might therefore neither provide additional protection to the individual nor improve national security.

8. Mr. Golden felt that the Panel was at present constituted to advise the government on security policy, and that for the detailed consideration of security cases a different membership might be needed. He considered that a board of appeal should be recommended.

9. The Chairman was not persuaded that a board of appeal was at present a practical need in Canadian security procedures. He felt, however, that the advantages of a system of review of the kind proposed were real, but that the benefit of the Panel's advice could be available to deputy ministers and heads of agencies without consultation being made mandatory.

10. After further discussion the Panel agreed that the Secretary should redraft the paragraph containing the recommendation under discussion to make it permissive. One further emendation was noted secretarially.

11. Mr. Pelletier explained that in the Procedures section of the draft directive a recommendation of the Sub-Panel had been included to require that references should be obtained for any person proposed for access to information classified Confidential or above. This recommendation, entailing as it would extensive correspondence, had been made because the Sub-Panel could see no other way of obtaining character information through the limited existing facilities.

12. Mr. Golden made reference to the difficulty of assessing some security cases on the basis of the limited information which was frequently all that was available. This information, which in the nature of things was usually derogatory, should in justice be balanced against any favourable information which it might be possible to obtain. He would, therefore, be in favour of any reasonable measures which might provide such information.

13. In the ensuing discussion the following points emerged:

- (i) that if the present recommendation for taking references were to be accepted as many as 500,000 letters might have to be exchanged annually;
- (ii) that if the taking of references were to be made permissive the clerical work involved would be reduced;
- (iii) that since it was frequently difficult to ensure the impartiality and integrity of referees, the procedure proposed might provide only a limited additional security;
- (iv) that while there did not seem to be any immediate prospect because of financial limitations of the R.C.M. Police increasing their investigative capacity - which would provide an effective means of obtaining information on character - there remained the probability that within one year the present reorganization of the R.C.M.P. indices would permit an increase of file checks.

14. The Panel therefore agreed to accept Mr. Wershof's proposal that the Security Sub-Panel should be asked to consult

further with organizations which used the reference system, and attempt to determine in greater detail the real value of such a measure to the Canadian security system.

15. In addition the Panel made a number of further emendations which were noted secretarially.

P.M. Dwyer,  
Secretary of the Security Panel.

Privy Council Office,  
Ottawa, January 11th, 1955.