

CANADIAN EYES ONLY

3/13/70
MEMORANDUM FOR FILE

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TOP SECRET

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Commissioner Higgitt and I saw the Prime Minister about 4:30 on the 26th of February to discuss with him

2. We explained at the outset that

3. Our conversation with the Prime Minister was interrupted by a division bell and thus a short period of time elapsed between our initial discussion of the proposal and our subsequent discussions with him.

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7. Following our discussion with the Prime Minister, we saw Mr. McIlraith and told him of our discussions and their outcome. The Minister seemed pleased and, particularly, that we had been able to establish ground rules for the kinds of matters on which we might approach the Prime Minister

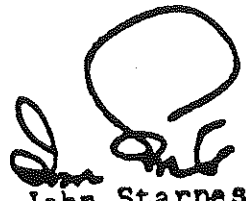
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directly in future. The Minister agreed that I might, on
some suitable occasion, mention to Mr. Robertson the guide
lines which the Prime Minister had mentioned to us on
this score.



John Starnes
Director General
Security and Intelligence

OTTAWA
27-2-70

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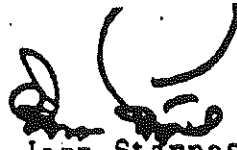
1. When I saw the Prime Minister on the evening of October 7th on another matter, I raised with him the attached memorandum dated September 21st.

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John Starnes
Director General
Security and Intelligence

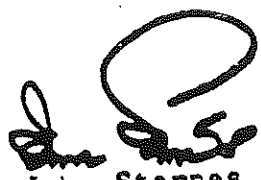
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John Starnes
Director General
Security and Intelligence

21 Sep 1970

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MEMORANDUM

TOP SECRET

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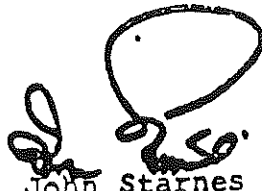
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John Starnes
Director General
Security Service

29-3-71
JS:ht

This is a fair description of the conversation
that took place in my presence.

W. L. ...
29/3/71.

THE CONTENTS OF THIS MEMO
ARE KNOWN TO:

PRIME MINISTER.

SOL. GENL.

COMMISSIONER.

C/SUPV. DRAPER.

INS.P. FERRARIS. *Noted Ferry*

MRS THOMAS.

JOHN STARNES

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MEMORANDUM FOR FILE

908109

Solomon
Dec. 1911
Wwa.

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TOP SECRET

Re: FAN TAN

1. In a discussion which the Commissioner and I had with the Minister today, I recalled to him that in April he had asked me to explore ways in which the Security Service could co-operate with the unit established under Mr. Lalonde's control in the Prime Minister's office to deal with separatist activity, and, particularly, in the Province of Quebec. As a result of the Minister's request, Inspector Ferraris had met Mr. Claude Vidal and his associates to discuss the modalities of such co-operation. The nature of the arrangements for co-operation which had been discussed, and the proposals which had emerged from Inspector Ferraris' enquiries, had given me cause for uneasiness. I wished, therefore, to be sure that he and the Prime Minister, and Marc Lalonde, understood quite clearly the political risks which it appears to me are involved in the Security Service of the RCMP co-operating in the manner proposed with the organization in question. The Minister read Inspector Ferraris' memorandum to me on this score of May 11th.

2. I said it seemed obvious that there were considerable political risks involved in the establishment, within the Prime Minister's office, of a unit, the principal purpose of which was to carry out political action against a legally constituted political party in Canada, i.e., the Parti Quebecois. It seemed to me that given the lack of professional expertise among members of the group in question, and for other reasons, there were very real risks that its activities might become public knowledge. Should this happen, it seemed likely that the government could be accused of using government facilities and employees paid from the public purse for political purposes. If, in addition, it could be established that the Security Service of the RCMP had any links with such a group, the position of the government would be that much worse. Indeed, in some circumstances, I could see that it could lead to a political scandal of major proportions. I was worried that even the few contacts we already had established with the group could lead to serious embarrassment for the government and for the RCMP. As a consequence, I was making sure that no correspondence which we had had date with this unit remained on their files and that nothing further was done which could serve to document to confirm such relationships as we already have had with the unit.

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3. It was one thing for the Liberal Party to use its apparatus to oppose and to defeat the aims of a political party such as the Parti Quebecois. It was quite another matter for the Security Service to assist those efforts and in such a way as to provide proof positive of that assistance. It seemed to me that the government could be seriously criticized for attempting to use the facilities of the Security Service to carry out political action, of one kind or another, against a duly constituted political party in Canada. If it became known that the Security Service had provided such assistance, no doubt the question would at once be raised as to whether some similar use was not being made of the Security Service by the government vis-a-vis other political parties. I said that it was true that the Security Service had for some years taken an active interest in the Communist Party of Canada. However, in practical political terms, this was very different from directly supporting political action against the Parti Quebecois.

4. In the circumstances, I suggested to the Minister that he might wish to raise the matter with the Prime Minister, and possibly with Mr. Lalonde. I said that while I assumed the Prime Minister was aware of the existence of the unit and of its aims, I doubted that he would be aware of the details of the arrangements which were being proposed between the RCMP and this group, and the implications of this in political and other terms. I thought there should be a very sharp line drawn between the activities of this group within the framework of the Liberal Party and the legitimate interest of the Security Service in separatist activities in Quebec. I saw no reason why the Security Service should not benefit from whatever information such a unit might be able to provide to us about separatist and other such activity in Quebec. However, I thought it was a very different matter for us to be providing the unit, or members of the unit, with information from our sources which they then might use to initiate political action against the Parti Quebecois. I saw no difficulty in providing information about activities in Quebec to the Prime Minister's office through the usual channels, which could be used by Mr. Lalonde as he saw fit, subject to the usual precautions about safeguarding sources and restricted handling of sensitive material.

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5. The Minister agreed with the various points which we made to him and said that he would raise the matter with the Prime Minister upon his return from the Soviet Union. He said he saw no reason why we should not draw such information from this unit as would be helpful to our role as a security service. However, he felt that such regular reports as we might make about the situation in Quebec might best be provided through him to the Prime Minister. It would then be for the Prime Minister to make such arrangements as he thought suitable to pass these on to Mr. Lalonde.

6. The Minister agreed that until he had these discussions with the Prime Minister, we should take no further steps to follow up the arrangements discussed between Inspector Ferraris and Messrs. Claude Vidal, Jean-Pierre Mongeau and Col. Chasse.



John Starnes
Director General
Security Service

Noted F.
21/5/71
[Signature]

21 May 1971

Noted F.
[Signature]

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MEMORANDUM FOR FILE

INSP. FERRARIS
UPON RETURN

JOHN STARNES

2 June 1971


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Re: FAN TAN

1. The Commissioner told me today that he had an opportunity yesterday evening for a brief discussion with the Minister on the concern which we had expressed to him on the 20th of May about the relationship which it is proposed the Security Service should have with the group in the Prime Minister's office, under Mr. Marc Lalonde, dealing with Separatism. The Minister told the Commissioner that he had had an opportunity to discuss the problems we had raised with him with the Prime Minister. The Prime Minister said that the Security Service was to have no direct contacts with Mr. Lalonde's group. Such reports on the situation in Quebec as we thought might be of value to Mr. Lalonde and his group should be made available by the Solicitor General to the Prime Minister. It would then be for the Prime Minister to decide what, if any, of this material should be forwarded to Mr. Lalonde.

2. In the light of the misgivings we expressed to the Minister, the Prime Minister's decision is a welcome one. However, it leaves up in the air the question of whether we can make arrangements to tap any sources of information about developments in Quebec which may become available to Mr. Lalonde's group. I will, in due course, explore ways and means of getting access to this kind of information.

3. In the meantime, I have told Inspector Ferraris of the Prime Minister's decision and I have advised him that in dealing with Col. Chassé or any other member of Marc Lalonde's group, he should simply indicate that the matter of relationship between the RCMP and the group has been discussed by the Solicitor General with the Prime Minister. Presumably, the Prime Minister will be informing Mr. Lalonde of his decision.


John Starnes
Director General
Security Service

Handwritten notes:
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FAN TAN

At his request, I saw Martin O'Connell from the Prime Minister's office on the 13th of December. He told me that he had only recently become aware of the existence in the Privy Council Office of the group which was headed up by Mr. Mongeon. His initial reaction was that there were too many political risks associated with the continuance of this group but that, before making a final recommendation to the Prime Minister, he wanted to discuss the matter with me.

2. I reviewed for Mr. O'Connell the circumstances which had led to the creation of the group and explained to him the various misgivings which I had had about it at the time, and particularly the suggestion by Mr. Lalonde that the Security Service should have links with it. I said that from my viewpoint to attempt to associate the Security Service with an organization whose activities were so clearly tied to the fortunes of the Liberal Party in the Province of Quebec and in the Federal field, was extremely unwise. Indeed, I thought that the creation of such a group in itself in the Privy Council Office and in the Prime Minister's office was risky in political terms. For these reasons, I had made known my views to Mr. Goyer and, in turn, to the Prime Minister. As a result, the Prime Minister had instructed that the RCMP Security Service should have no contacts with the group. Any information that it might be expedient to exchange between this group and the RCMP would be filtered through the Solicitor General and the Prime Minister. Thus, there were neither formal nor informal links between the two groups and there could be no possibility that if the activities of Mr. Mongeon and his associates became public knowledge that the RCMP could be in any way associated with them.

3. I went on to say that there had been evidence in the past year or so that the activities of the group were known to various people in Quebec. Indeed, on one or two occasions SPARG had been mistakenly identified as responsible for some of the activities which were properly attributable to the Mongeon group. It seemed to me it was only a question of time before the activities of the group became public and

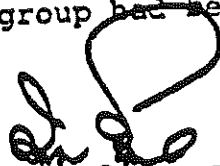
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if the RCMP had had any association with them, this could lead to a first-class political row and, in some circumstances, to the downfall of the government.

4. For all these reasons, therefore, I could see why Mr. O'Connell had misgivings and I thought that he would be right in recommending to the Prime Minister that the group should be disbanded. Certainly, the circumstances in which it was created no longer existed. While there was a great deal that we did not know about subversive activities, and particularly among the FLQ groups in Quebec, we certainly know a great deal more about them and the situation generally in Quebec than we knew three years ago. I said that it seemed to me if the group was to be disbanded that it should be done in such a way as to avoid any of its members being embittered. I suggested that perhaps most of them could be absorbed somewhere or another into the bureaucracy in other capacities.

5. Mr. O'Connell thanked me for my comments, which, he said, seemed to bear out his own views. He said that he would be discussing the matter with the Prime Minister but he accepted a suggestion he made that he might first discuss it with Mr. Lalonde since the group had been his brainchild.



John Starnes
Director General
Security Service

Handwritten notes:
22/12/77
22/12/77

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