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CONFIDENTIAL

O t t a w a (4),
January 21, 1964.

Mr. W. A. Hoddinott,
Defence Research Board,
Room 4306 "A" Building,
Ottawa, Ontario.

Dear Mr. Hoddinott:

I refer to your letter of January 16, 1964, concerning the discussion which you, Mr. Morbey and I had on January 9 concerning the application of the provisions of Cabinet Directive No. 35.

As I indicated to you on the telephone this morning, the impression which you and Mr. Morbey had of our discussion on January 9, as set out in the third paragraph of your letter, goes rather farther than what I suggested to you at the time. I did not agree, and I doubt very much that the Security Panel would agree, that it would be "quite proper in cases where the background investigations revealed evidence of character weaknesses, that this information could be used to decide, outside of security considerations, whether or not the employee was unsuitable and did not meet the requirements of a sound personnel policy". I cannot think that it would be agreed, either, that "serious character weaknesses constitute sufficient justification for releasing probationary employees and that this may be done without contravening C.D. 35 provided that the decision is not based on security considerations". I feel certain that, to institute such generalized rules as these would lead to serious difficulties in light of the modifications of policy which have recently been publicly stated by the Prime Minister and the Minister of Justice.

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The problem which you raise, however, is I think a serious one which merits consideration by the Security Panel and possibly eventually by the Government. As I see it, it is a question of the employment policy which the Government is prepared to adopt, particularly in the application of approved security measures within a probationary period such as that which forms part of the employment policy of the Defence Research Board. As I suggested to you this morning, I would like to refer to the Security Panel the case of the employee of D.R.B. whom you describe as "Miss X", material concerning which you sent me some days ago. In order to document the case properly for useful consideration by the Security Panel, I would be grateful if you could let me have further particulars on this case, especially the duration of her employment with you, the time and nature of your granting a limited security clearance, and any assessment which you may have had from her immediate superiors as to her employment record to this point. It would also be helpful to have a statement of the actual conditions of employment on a probationary basis as used by D.R.B.

I believe that the case of "Miss X", together with the related points which we discussed on January 9, raise a number of problems which will require to be solved in order that the new Cabinet Directive on Security might be implemented in such a way as to meet the requirements which the Government intended. I would therefore be grateful for any assistance which the Board is able to offer in having this matter fully and carefully considered.

Yours sincerely,



D. F. Wall,
Secretary of the Security Panel.

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