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Ottawa, October 17, 1967.

Mr. D. R. Taylor, Planning and Co-ordination Division, Treasury Board, Ottawa, Ontario.

Dear Mr. Taylor:

Further to our recent discussions concerning a possible reply to Starred Question No. 381 asked on September 25th by the honourable member for Carleton, Mr. Bell, I attach a possible reply which has been prepared as a result of consultation with officials directly concerned in security matters. I also had an opportunity to discuss the matter this morning with Mr. J. D. Love, Assistant Secretary of the Treasury Board, who was involved in the drafting of the Section of the Financial Administration Act in question. Mr. Love suggested that it may be possible to draft very general regulations under Section 7(7) of the Act to deal with dismissals on security grounds, and consideration is being given that possibility. In the meantime, the question is under consideration by the Royal Commission on Security as a result of discussions which I had with them earlier in the year, and it would undoubtedly be useful to have their views and advice on the nature of such regulations as might be drawn up. Should a case requireng dismissal on security grounds arise before the Commission has an opportunity to report, regulations would have to be drafted as required by the Act. In the meantime, I would be grateful if you would seek the approval of your Minister to make a reply to Mr. Bell's question along the lines set out in the attachment hereto.

Yours sincerely,

AND SIGNED BIA

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