



Department of Justice / Ministère de la Justice
Canada

Ottawa, Canada
K1A 0H8

NDRMS 3-3 / SGDDN 3-3

Referred to / Transmis à Δ LAW/HRI

JUN 8 1992

File No. _____
Dossier No. _____
Charged to / Chargé à RC.



Telephone no. (613) 957-4868
Telecopier no. (613) 996-9916

Room 536, Justice Building
Kent and Wellington Streets

Our file no: 301994 vol.4

June 4, 1992

Lt. Col. Ken Watkin
Director of Law/Human Rights
and Information
Office of the Judge Advocate General
305 Rideau Street
OTTAWA Ontario
K1J 0K2

Dear Sir:

Re: [REDACTED]

Thank you for your letter of June 2nd. I have written to Ken Cancellara and a copy of that letter is enclosed herewith.

I don't have any trouble with the idea that the [REDACTED] would be tax-free. We, of course, would make no representations but if the money was said to be in respect of general damages or for breach of *Charter* rights or possible breach of *Charter* rights then I do not believe it would be taxable.

With respect to the question of an undertaking by [REDACTED] not to attempt to re-enrol in the Canadian Forces, I don't know whether such a condition would be legal or enforceable or even practical. Nevertheless, if we can get [REDACTED] to agree to putting such a clause in any settlement agreement, there is no reason not to take it. I would not, however, let the settlement possibility fall apart simply because [REDACTED] is not willing to agree to such a stipulation.

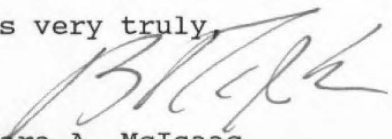
Canada

001816

- 2 -

If I hear anything from Ken Cancellara, particularly if he has any concerns with respect to prejudice arising from such a settlement and affecting the *Douglas* and *Dwyer* cases, I shall let you know.

Yours very truly,



Barbara A. McIsaac
General Counsel
Civil Litigation Section

BAM/cm

Encl.

001817