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Security of the Standing Committee on Justice,  
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**Tuesday, February 22, 2005**

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**Chair**

**Mr. Paul Zed**

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Tuesday, February 22, 2005

•(1535)

[English]

**The Chair (Mr. Paul Zed (Saint John, Lib.)):** I call the meeting to order.

Good afternoon, ladies and gentlemen. It's my privilege to open the inaugural meeting of this subcommittee to deal with the three-year parliamentary review of the Anti-terrorism Act adopted by Parliament in 2001. Before making some general comments on the important task we are about to undertake, I'd like to thank my colleagues on the subcommittee for providing me with the opportunity of chairing this committee.

In December of 2004, as you know, the House unanimously adopted a motion designating the justice committee to carry out this review; the justice committee has referred this to the subcommittee. We will obviously take into account the tragic images of the events in Washington and New York. Much, at that time, was unknown. Within a very short time, in Canada and throughout the world, many steps were taken to counter terrorism and the fear it engendered. Although the time for Parliament to consider this far-reaching legislation was short, the debate it engendered, at all levels of Canadian society, was impassioned, vigorous, and robust.

As a consequence, a number of changes were made to this legislative initiative as it made its way through the parliamentary process. Most important of these were changes sunseting, after five years, the measures dealing with the investigative hearings and preventative arrests, and the requirement for a parliamentary review. These measures were adopted because parliamentarians shared the concern of many Canadians about the adoption of this legislation under difficult circumstances and its impact on constitutionally guaranteed rights and freedoms.

The task we are undertaking today is one we have imposed on ourselves. Parliament told Canadians, three years ago, it would comprehensively review the provisions and operations of the Anti-terrorism Act, one of the most wide-ranging pieces of legislation adopted in years. This undertaking will be challenging, but it's one I'm sure we can complete energetically, debating difficult issues and reaching effective conclusions. That is what Canadians expect from us.

To that end, I'm pleased, on your behalf, to welcome to our public meeting, as our first witness, Jim Judd, the Director of the Canadian Security Intelligence Service; and the Deputy Director of Operations, Dale Neufeld. I believe, gentlemen, you have an opening statement.

**Mr. Jim Judd (Director, Canadian Security Intelligence Service):** Yes, Mr. Chairman, I do.

If I could, I'd like to try to walk you through a deck you have had distributed to you. It is our presentation to the Subcommittee on Public Safety and National Security.

**Mr. Tom Wappel (Scarborough Southwest, Lib.):** I have it.

**Mr. Jim Judd:** Let me start by saying, Mr. Chairman and members of Parliament, that we are pleased to be here today to provide a security threat assessment to assist the committee in its consideration of Bill C-36, the Anti-terrorism Act.

I might begin by reminding members of the committee that since that legislation was adopted by Parliament, the government has also issued the first ever comprehensive statement on a national security policy for Canada, the goals of which are set out on page 2 of the deck. I note that particularly because of its definition of the three core national security interests that are especially relevant to these proceedings. They are: the protection of Canada and Canadians at home and abroad; ensuring that Canada is not a base for threats to our allies; and contributing to international security.

On the following page, we make the point that terrorism is in fact not a new phenomenon in Canada. Prior to the adoption of the anti-terrorism legislation, the most catastrophic international terrorist act originated in Canada, which was the destruction of an Air India flight more than 20 years. Historically, most terrorist organizations elsewhere in the world have operated or sought to operate in Canada, in respect of fundraising, propaganda, recruitment, and other activities. This certainly continues to be true today. I might add as well that the arrest of Ahmed Ressam in December 1999, over a year prior to the attacks of 9/11, was also an indication that global terrorism was being brought to Canada, and to North America more generally.

But for the purposes of today and the committee's work, I want to focus especially on the terrorist threat following 9/11 and the associated adoption of this legislation that this committee is now reviewing, and specifically try to address two things. First, what has changed globally and in Canada since that time, hopefully to help better explain the current environment? Second, I want to provide an assessment of where we are now and into the foreseeable future, again both globally and, more specifically, in Canada.

In the three and a half years since the 9/11 attack, a lot has changed. There have been both positive and negative developments that have affected the threat of terrorism, both here and elsewhere in the world. On page 4 of the deck I've tried to highlight some of the ones that I'll speak to now as having been positive changes, if I can put it that way, in the threat environment.

First of all, the overthrow of the Taliban regime in Afghanistan, which had provided a haven for the al-Qaeda network's leadership in its training infrastructure, as well as the associated death, capture, and dispersal of many of the leaders of that network have been beneficial in helping deal with the terrorist threat.

Second are the measures many governments around the world, including our own, took in response to either UN resolutions, or through initiatives of their own, to increase resources for security and intelligence capacities; restructure organizations, mandates, and responsibilities; develop better interoperability and cooperation amongst various agencies in the security intelligence field; and make changes to legislative authorities to help facilitate the campaign against terrorism in their countries.

Third, there has been a much greater degree of collaboration internationally between security and intelligence agencies of different countries. That has proven to be an absolute prerequisite to helping to deal with the sophisticated and global threat.

Finally, significantly stepped-up efforts by intelligence, security, and law enforcement agencies in individual countries, including Canada, have resulted in the imprisonment of terrorists, the substantial disruption of networks, and the avoidance of new terrorist acts.

That said, however, it's important to counterbalance the positives with some of the more negative developments in the last several years, some of which have made and will make the work of security and intelligence in law enforcement agencies much more difficult.

First of all, there has been a continuing toll of death and injuries around the world as a result of terrorist acts. Since 9/11 there have been terrorist attacks in more than 30 countries, resulting in hundreds of deaths and thousands of injuries.

• (1540)

For your reference, on page 6 we've included a brief summary of some of the more notable ones that have taken place since 9/11.

None of these attacks has been of the scale of 9/11, but they have nonetheless been horrifying in their effect. The bombings of the Bali nightclub and the attacks on the Madrid trains last year, as well as the attack on the school in Beslan, were amongst the most spectacular but by no means the only ones.

Evidence of planning for other attacks around the world in our own country continues to be uncovered. We have a good sense of what our current targets are doing; it's the ones we don't know about who are perhaps the greatest concern for us and other agencies elsewhere in the world.

Second, the terrorist networks responsible for or associated with the 9/11 attacks have become more physically dispersed and, simultaneously, much more technologically sophisticated in how

they operate and communicate. For example, the terrorist networks' use of the Internet as a communications, recruitment, and propaganda tool has been truly impressive in bolstering their capacity around the world—and again, in our own country—through sophisticated encryption, the techniques of steganography, and the use of the Internet as a purveyor of videos for the recruitment of new adherents and for multiple e-mail accounts by many suspects.

We assess as well that their long-standing quest to obtain more horrific weaponry, be it chemical, biological, radiological, or nuclear, continues unabated. The head of the International Atomic Energy Agency only recently set out his own concerns regarding the increasing ease of access to both radiological and nuclear sources for weaponry.

The organizational structure of al-Qaeda and its affiliates has also changed from a more centralized command and control structure to a much more decentralized and loosely tied system. In many respects, it has been transformed into more of a global movement, often composed of autonomous and far-flung elements. The bottom line here is that opponents, global terrorists, specifically al-Qaeda and its affiliates, have become more difficult for security intelligence and law enforcement agencies to track and apprehend. In particular, the greater autonomy and decentralization of these groups has provided more opportunity for local initiative as opposed to centrally directed attacks.

My final point on this page is that the number of adherents to terrorism has continued to grow in the years since 9/11. Last week, the CIA director, in his recent threat overview assessment to the U.S. Congress, cited Iraq as a possible new operating base for international terrorism. The ranks of trained terrorist fighters in Iraq have been and continue to be bolstered by individuals from around the world, including both Europe and Canada. For example, Said Rasoul, a Canadian citizen, is believed to be a member of Ansar el Islam, an al-Qaeda-affiliated group in Iraq. Abdula Jaber, a landed immigrant, is also believed to be a key commander and ideologue with the same group.

The last point here is that the type of persons being attracted to terrorist networks has been changing in some worrisome ways in the last several years. First of all, more are being found in the second generation of immigrant families in Europe, Canada, the United States, Australia, and elsewhere—often coming from what are typical middle-class backgrounds, if I could put it that way. Still others have no discernible previous links of any kind with the terrorist networks, a phenomenon we have found in Canada as well.

On page 7, let me just speak to some of the common characteristics or continuing features of terrorism as we understand it today. First of all, the extremists remain committed adversaries, ready to die for their causes. They are indiscriminate in their targets, not differentiating at all between military or security forces and civilians, and in fact seem to prefer to attack soft targets and inflict maximum casualties, thereby increasing the public impact of their actions.

•(1545)

They continue to demonstrate outstanding operational security and highly effective planning skills, often taking years to put into effect a terrorist operation. They also maintain the capacity to operate effectively in much the same way as a multinational corporation does, with operations involving personnel simultaneously focused on the same operation but functioning out of a series of different countries. Geography has not proven to be any kind of an impediment to them.

My final point is that many of the tools of their trade are readily accessible, including the recipes for chemical agents or commercially available components for explosives and other weaponry.

We are extremely fortunate in this country not to have had a terrorist attack take place on our soil since 9/11. But we have not been immune from the effects of terrorism. Leaving aside the more than 20 Canadians who died in the attacks on the World Trade Center, another two Canadians died in the Bali bombings. Canadian Forces personnel have been killed and wounded by terrorist attacks while serving in Afghanistan, and the threat to our deployed forces in Afghanistan remains high. For this reason the service makes it a priority to support the Canadian Forces deployed there. Given the international mobility of Canadian citizens and the continued deployment of Canadian Forces personnel in Afghanistan, and potentially in other troubled parts of the world, our citizens can remain at risk when outside our country.

We have not been immune from terrorism in other ways. There are several graduates of terrorist training camps, many of whom are battle-hardened veterans of campaigns in Afghanistan, Bosnia, Chechnya, and elsewhere, who reside here, and still others who continue to seek access to our country. Often, these individuals remain in contact with one another in Canada and show signs of ongoing clandestine-type activities: employing sophisticated counter-surveillance techniques, secret communications, and secretive meeting arrangements. Canadians have also been involved in the planning and execution of terrorist operations in other countries while residing either here or outside of Canada. These include Abdel Rahman Jabara, who is sought for his involvement in the bombing of residential compounds in Riyadh in May 2003. His brother, Mohamed Jabara, was involved in a foiled terrorist plot to attack foreign embassies in Singapore and has since been detained in custody.

There has been considerable publicity around the family of the late Ahmed Said Khadr, a close associate of bin Laden, who was a central figure in Canada's extremist network. Some of his children underwent weapons and explosives training at camps in Afghanistan. Fateh Kamel, a Canadian of Algerian origin, was sentenced to eight years in prison in France for directing a terrorist cell in that country. Kassem Daher, a Canadian citizen and a member of Asbat al-Ansar, has been in prison in Lebanon for his role in a gun fight with Lebanese security forces. In addition, Abderraouf Jdey and Faker Boussora, Canadian citizens of Tunisian origin, are listed in the U.S. Department of State rewards for justice program. Both have attended al-Qaeda training camps, and one has made a "suicide video" for al-Qaeda, in which he pledged his life for the movement.

Canada also continues to be an attractive refuge for extremists. Hani al-Sayegh, a refugee claimant, was involved in the Al Khobar bombings in Saudi Arabia in 1996. Ahmed Ressam, a failed refugee claimant, planned an attack at the Los Angeles airport from Montreal in the late 1990s and has been subsequently tried and convicted in the U.S. court. A number of these extremists, we believe, came to Canada to continue their activities and are being held under national security certificates. These include Mohamed Majoub, a member of the Vanguards of Conquest, a radical wing of the Egyptian-Islamic Jihad; Mahmoud Jaballa, a senior operative of the Egyptian-Islamic terrorist organization al Jihad and al-Qaeda; Hassan Almrei and Mohamed Harkat, both suspected members of the bin Laden network, and Adil Charkaoui, a suspected member of the al-Qaeda network.

•(1550)

We also know that a pre-operational planning reconnaissance has been undertaken in Canada on a variety of possible targets in some of our largest metropolitan centres. Successful terrorist actions against any one of those could have a potentially terrible toll on human life. The publicized case of Samir Ait Mohamed, a failed refugee claimant currently incarcerated in Vancouver who is believed to have been targeting a Jewish neighbourhood in Montreal, is but one publicly known example.

Finally, it is worth remembering that Canada was specifically mentioned by Osama bin Laden as amongst the designated targets for terrorist action because of our role in Afghanistan following 9/11. Canada has twice been named as a target for terrorist activity by al-Qaeda, most recently last year in a website publication.

If I could summarize, in conclusion, I would say that while circumstances have changed since 9/11 in terms of both the nature of the terrorist threat and the measures taken against it, the terrorist risk continues to be real in Canada and in many other countries. There is little about the terrorist threat that distinguishes Canada from other nations, including those that have been or are likely to be directly targeted. In other words, nothing exempts Canada from the threat of serious violence.

While our preeminent concerns remain for security threats to Canada and Canadians, we also have critical obligations to our international partners, through UN conventions and other arrangements, to ensure that Canada is not used as a base to attack others or that Canadians are in any way participants in such attacks or their planning. Attenuating the terrorist threat and reducing the vulnerability to attack here and elsewhere in the world will continue to require us to creatively engage the complete range of techniques and legislative devices available to us.

The fact that we have not suffered an attack here should provide no rationale for complacency or comfort. In many ways, we have made our own luck by relentlessly pursuing targets, using the legal means provided to us under our own legislation, but also in concert with our partners, using the new measures provided by the government to enhance its ability to fight terrorism at home and abroad.

Mr. Chairman and members, that concludes my overview presentation. I should add the usual caveat of CSIS directors that in responding to some of your questions, I may seek your forgiveness, because of operational concerns, to not give as detailed an answer as we might like to under the circumstances.

•(1555)

**The Chair:** Thank you, Mr. Judd.

I assume that cases before the court would obviously fall under the same category, not that you need me to be your lawyer today.

Mr. Sorenson, would you please open this round?

**Mr. Kevin Sorenson (Crowfoot, CPC):** Thank you, Mr. Chairman.

Thank you, Mr. Judd, for being here.

I think that I can pretty well assure you that no member on this committee would ever ask a question that you wouldn't be able to respond to. I say that tongue-in-cheek because you never know when a question like that may happen.

I again congratulate you on your appointment as the director of CSIS. You've been in the job for about a month now. We look forward to you continuing in that position. As we work as a committee, I'm sure and I hope that we'll be able to avail ourselves of your expertise somewhere down the road as well.

I have a couple of questions.

First of all, we're here to discuss the Anti-terrorism Act. For some of the things that have been happening, we've been given a job to review it. The Anti-terrorism Act broadened the RCMP's mandate and allowed them to investigate terrorist activity in Canada. The mandate basically came out of the Criminal Code amendment, which defines what constitutes terrorism crimes.

The RCMP, the national police force responsible for enforcing the Criminal Code's terrorism provision, was suddenly put back into the position that some would say they had prior to the CSIS Act and prior to the time when CSIS came along to relieve them of that responsibility. They were now, again, given security and intelligence capabilities with the power to not only investigate crime, but to a certain degree to prevent crime. Part of the Anti-terrorism Act gives them the ability to go out, with preventative arrests and other ways, to prevent crime. Therefore, after 20 years they're back in the business of reclaiming some of the territory they gave up prior to the CSIS Act.

In the past, there have been concerns of turf wars when there is communication between the two agencies. How do you respond to this as the new director of CSIS? Do you accept that statement? Do you recognize it?

I also have a couple of other questions.

How long do we have, Mr. Chair?

**The Chair:** Seven minutes.

**Mr. Kevin Sorenson:** How often does CSIS not just report to the Minister of Public Safety but make recommendations on whether or not a certain group would be put on the terrorist entity list? You're being given new information and building files all the time. Can you give us a little bit of an indication of the exact process that allows CSIS to give a recommendation to the minister as to whether or not a certain group should be named?

**Mr. Jim Judd:** I may on occasion call on my distinguished colleague, who has a much longer background in this domain than I do, but let me try to respond to both of your questions.

With respect to the RCMP, I understand the genesis of your question. I think historically, going back to the time of the creation of CSIS coming out of the RCMP, there have been issues around the manner in which the two organizations work together, or don't work together, well or otherwise. My sense of that situation these days is that the relationship appears to be working fairly well, for a variety of reasons.

One is that there is a lot more interaction between the two organizations on both a personal level and a professional level on individual cases, and so on, including arrangements whereby personnel from one organization are working in the other organization. We've recently established, for example, an integrated threat assessment centre. It is lodged at CSIS but is largely a Government of Canada operation headed by an RCMP officer. It contains officials from a variety of departments and agencies.

We have also cooperated with the RCMP on the INSET program. We do a lot of information sharing with them in both directions. The big distinction I would draw between the two, in the realm of security and intelligence on the terrorist threat, is that CSIS as an organization tends to involve itself in potential threats at a much earlier stage, while the RCMP remains a police organization and has somewhat of a higher threshold at which investigations can be launched.

Perhaps I could pause and ask Mr. Neufeld if he has any other observations on that.

•(1600)

**Mr. Dale Neufeld (Deputy Director, Operations, Canadian Security Intelligence Service):** I think the director summed up most of the big-ticket issues pretty well. I will say that a lot of what you have seen in the press on the acrimony between the two organizations is immensely historical. I don't think, 20 years ago when CSIS was created, that the RCMP was particularly pleased to lose those national security responsibilities. As a result, there were tensions back in those early years. Of course, right after the service was created there was the Air India terrorist event. As a result, it was a very poor foundation upon which to build solid cooperation.

I can assure the gentlemen around this table that is a long way back in our past. Right from the outset we always had liaison people in each other's organizations to promote sharing and understanding, but we thought eventually that fell a little short. The director mentioned some of the secondments, but in each of our big offices we now have an RCMP officer doing our functions and duties to understand how we function, and we have somebody working with the police as well. So we've done a lot to circumvent some of those early irritations.

I'd also say that some of the tension is immensely natural. You can go to any country you want—I like to use the example of the British, who generally have it right because they have a long history in this, but France would be the same—and there's still some tension wherever the police and the intelligence services sort of bump up against each other. It's a question of where the thresholds are. Of course, intelligence services generally put caveats on some of the most sensitive information, so the police don't have free use of it. Some of those irritants are immensely natural and will likely never go away, even with legislation such as Bill C-36.

The director commented on the fact that we generally are in a position to commence our investigations somewhat earlier than the police. Our mandate allows us to commence an investigation when we suspect a threat to Canada's security, while the police need reasonable and probable grounds to believe that an offence is about to be committed or has been committed.

Our management teams meet on a regular basis. As I've said to some of these committees before, when I travel to our regional offices and meet with the RCMP divisions, I often hear the people on the ground—the pointy end—who are working together say that CSIS and the RCMP get along really well, and it must be at headquarters in Ottawa where the problems lie. If you talk to management here, like Zaccardelli or Deputy Commissioner Loepky, I can assure you that the cooperation at that level is of the highest quality. In fact, our senior management groups plan to meet with some frequency. So if there is an irritant, we deal with it.

**Mr. Kevin Sorenson:** Thank you.

The second question dealt with the entities.

**Mr. Jim Judd:** You have caught me at a disadvantage there because we haven't had the opportunity to do one in my time as director.

**Mr. Kevin Sorenson:** Are you saying you haven't made any recommendations over the last month that a group be put on the terrorist entity list?

•(1605)

**Mr. Dale Neufeld:** I think there are some new ones. There may be as many as three, either in the mill or with our ministry at the moment.

**Mr. Kevin Sorenson:** Are those three new ones?

**Mr. Dale Neufeld:** Yes.

**Mr. Kevin Sorenson:** These are not ones you have recommended in the past; they are three new groups you've recognized that should be on the list.

**Mr. Dale Neufeld:** I believe that's true. We are constantly working on listing new terrorist entities under the Bill C-36 terrorist listing legislation.

**Mr. Kevin Sorenson:** What is the process? All of a sudden you have a file and you go to the minister and say, "We recommend this. We hope you will put it on." Then she has the prerogative whether or not to do it.

**Mr. Dale Neufeld:** Yes, that's true.

**Mr. Kevin Sorenson:** All right.

I have one other question. I may want to come back to that question a little later on.

Reid Morden, who was a former director of CSIS, has expressed a certain degree of reservation about some of the preventative arrests, preventative detentions, and the investigative hearings.

We have two here from the department. Do you share those reservations that Reid Morden had?

**Mr. Jim Judd:** To be honest with you, I haven't seen Mr. Morden's comments. I guess my recollection is that neither of those provisions has been utilized since the legislation was passed, although there was an instance in the Air India case some time ago when one provision was used.

**Mr. Kevin Sorenson:** Are you saying then that if they haven't been utilized, perhaps they aren't needed?

**Mr. Jim Judd:** No, I didn't say that, just that they've been used in one instance only. The fact that they haven't been used is not necessarily an argument that would lead one to suggest they aren't needed. There may be circumstances we haven't yet encountered where such provisions would be both desirable and necessary.

**The Chair:** Thank you.

**Mr. Kevin Sorenson:** Just a very short one.

Because they've been used only sparingly, maybe in only one or two instances, would that then show that they are perhaps needed and that we've been well served with that legislation, that it hasn't been overused but still is needed?

**Mr. Jim Judd:** That would be my assessment at this juncture, yes.

**The Chair:** Mr. Ménard, please.

[Translation]

**Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ):** You've recently established the Integrated threat assessment Center. Could you give us an idea of its roles?

[English]

**Mr. Jim Judd:** The centre was established as a consequence of the national security policy last year. It was and is intended to provide a whole-of-government facility to assess threats to national security in Canada, and to do that on the basis of intelligence that is either generated domestically or acquired through foreign partners.

One of the principal reasons it was constructed in the way it was is to try to ensure there is a common focal point in the government, as opposed to individuals doing the same thing in individual departments and agencies, and to try to ensure we have a more coherent, coordinated approach to threat assessments, both for the use of the government and also in terms of our relationships with key allies, where we might discover something that was of threat to them.

[Translation]

**Mr. Serge Ménard:** Would you have any objection, for security reasons, to tell us what is the budget of ITAC?

[English]

**Mr. Jim Judd:** It's \$6 million a year.

[Translation]

**Mr. Serge Ménard:** Since 9/11 your budget has been significantly increased. Can you tell us by how much?

•(1610)

[English]

**Mr. Jim Judd:** I have the figures on that, sir.

The budget in fiscal year 2000-01, which was immediately prior to 9/11, stood at \$179 million, and for the current fiscal year it stands at \$284 million.

[Translation]

**Mr. Serge Ménard:** Have you found any link between the terrorist groups and the organized crime?

[English]

**Mr. Jim Judd:** Yes, in certain instances some terrorist entities are known to have supported their activities through trafficking in narcotics. Some terrorist entities we know of have had relationships with organized crime figures, or attempted relationships with organized crime figures, in an effort to acquire particular kinds of weapons or tools of the trade.

If I could, I'd ask Mr. Neufeld to expand on that if he has something to add.

**Mr. Dale Neufeld:** I would say that most of the terrorists we investigate do not have any connections with organized crime. There are some exceptions. Hezbollah, the Shi'ite extremist group, is one that does get involved in some very big crime. In fact, we assisted the Americans not too long ago on a cigarette smuggling case down in the Carolinas. It is certainly one that has those types of connections.

But a lot of them are involved in much smaller schemes to raise funds. Some of them, of course, try to use the charitable status as well, so they don't need to get into things criminal.

[Translation]

**Mr. Serge Ménard:** In your presentation you said, among other things, that new legislative tools allowed you to thwart some terrorist schemes. Can you give us some examples of your success stories without revealing too much?

[English]

**Mr. Jim Judd:** I think I was speaking more broadly of law enforcement and security enforcement agencies in Canada. In fact,

the anti-terrorism legislation that was adopted in the wake of the 9/11 incidents had only a very marginal impact on our own legislation. It effectively changed three words in section 2 of our act.

My comments were speaking more broadly about government efforts. I think the legislation has certainly put us in a situation of having to provide to government more kinds of information than we had previously, including information on terrorist entities and some of the new initiatives that have been undertaken in terms of security screening of immigrants and refugees, which were not directly a result of the legislation but have been part of the services and stepped up activities, I guess, since that time.

[Translation]

**Mr. Serge Ménard:** For how long have you been using the security certificates? How many certificates have you issued since 9/11?

[English]

**Mr. Jim Judd:** I believe the provision for security certificates has existed in legislation since 1978. Since 1978, I think 27 certificates have been issued, and since 9/11, I believe three have been issued. All of them would have been, if memory serves me right, several years ago.

So there have been, I think, three instances.

•(1615)

[Translation]

**Mr. Serge Ménard:** I don't see the point of putting someone in custody based on a security certificate.

It seems to me that by so doing you send the message to his potential accomplices that he's under surveillance. On the other hand he may have committed a crime and, because of that, it may be preferable to charge him and put him behind bars. You may also decide to let him free in order for you to find out more about the individuals he's in contact with. That might give you some interesting leads.

However I do not see the point of keeping someone in custody for long periods of time without charging him or her.

[English]

**Mr. Jim Judd:** That's a very good question

Again, I may ask Mr. Neufeld to comment, but my sense would be that the security certificates have been used in respect of individuals who are not Canadian citizens and whom we would just as soon not see resident in Canada.

I think the judgment has been made in those cases in the past that the issue of balance you talk about, in terms of letting them operate in society in building up a better sense of their overall connections and so on, is one that has to be counterbalanced against the concern that the individual's potential to pose a threat outweighs the benefits of finding out more about the individual and his network.



**Mr. Dale Neufeld:** The difficulty with the individuals—and I think right now there are six individuals in Canada who are subject to the section 77 process—is that they come here, and if we're lucky, we uncover their pedigree and terrorist connections. The problem is that they want to do nothing for three years; they want to acquire that magic Canadian citizenship and the passport that goes with it before they re-immense themselves in the terrorist milieu.

For that reason, we must get them before they get their Canadian citizenship, because after that the Immigration and Refugee Protection Act is of no assistance to us. That's why we've acted; we've picked our candidates for this immigration process very carefully. It's very expensive and very onerous for us. We picked the people who we actually believe are the most serious threats, leadership figures in the terrorist groups of which they are members.

But our rationale is to catch them before they get citizenship. That's the big point.

[Translation]

**Mr. Serge Ménard:** Something else bugs me more than the use of those safety certificates, it is your assessments. I don't want to make any reference to a specific case but I want to underline a general pattern here.

It seems that signed-out informations are coming from countries where police examinations are often conducted under torture. On the other hand, once people do not fear to be tortured anymore, they deny having made such statements.

Have you already decided to place someone in custody based on this kind of foreign information only?

[English]

**Mr. Dale Neufeld:** No, we would never use single-source information. We would always seek corroboration, both from our own investigation and certainly from some allied information that we think could be very usable. But if information comes from a state that we suspect may have obtained it using the methodology you've suggested, it wouldn't be sufficient for us to go forth with a case on its own; we would need corroboration.

**The Chair:** Thank you very much, colleagues.

Mr. Comartin, please.

**Mr. Joe Comartin (Windsor—Tecumseh, NDP):** Mr. Judd, I recognize your recent appointment to the directorship of CSIS. When did that take place?

• (1620)

**Mr. Jim Judd:** The appointment was made at the end of November, but I didn't actually start on the job until January 10.

**Mr. Joe Comartin:** Have you had prior experience with CSIS in any administrative or supervisory capacity?

**Mr. Jim Judd:** No.

**Mr. Joe Comartin:** I want to ask about page 6 of the material you gave us. I'm a bit confused.

In every year, starting in 2002, you've isolated out Israel and Algeria—Israel and Algeria in 2003; Israel, Algeria, and Iraq in 2004; and in 2005, again, Israel, Algeria, and Iraq. Could you explain to me why there are no months beside those entries?

**Mr. Jim Judd:** Do you mean where a country is listed with a year but no date?

**Mr. Joe Comartin:** Yes.

**Mr. Jim Judd:** My presumption is that it was the same date as the preceding one, and that where there was a gap....

**Mr. Joe Comartin:** But in each case you jump from the prior date ending in December into the following year. Let me just suggest that it may be because there were repeated attacks in those countries.

**Mr. Jim Judd:** Mr. Neufeld just clarified for me that there would have been multiple attacks in the same places.

**Mr. Joe Comartin:** Okay.

Mr. Neufeld, I just want to go back and challenge you a bit on the issue of cooperation between our various intelligence agencies. In her report of October or November of 2004—I can't remember which—the Auditor General addressed the issue of money laundering in particular and the material coming over from the border agency to CSIS and the RCMP. From her report and investigation, there appeared to be no interaction back from CSIS and the RCMP to FINTRAC.

I've asked this of Commissioner Zaccardelli and of you on a previous occasion. At that time, you weren't able to give me an answer. I wonder if you've been able to assess whether the Auditor General's report is accurate, and what have you done to correct that problem?

**Mr. Dale Neufeld:** I remember, after you asked me the question, I ran back to the office and got the answer. I think it was in the paper that day, that particular criticism.

I can assure you we do cooperate with FINTRAC on a regular basis. I know there are serious limitations on how we can use each other's information, but I don't think it's for lack of effort to cooperate.

**Mr. Jim Judd:** Mr. Comartin, I think one of the problems with the interaction with FINTRAC is that there are statutory limitations on what information they can provide and how they can provide it to either CSIS or the RCMP. The issue of cooperation between our service and FINTRAC is one I discussed with the head of FINTRAC last month. I understand his organization has embarked on an internal review, first of policy, then of regulation, and then of their legislative mandate, to determine what can be done to better facilitate the cooperation between that agency, the RCMP, and us.

We've also agreed to make a better effort to work jointly, including looking at the possibility of exchanging personnel between the two organizations so we get a better sense of each other.

**Mr. Joe Comartin:** Mr. Judd, what bothered the Auditor General most specifically was that all of the information on potential money laundering would pass to the RCMP and to CSIS. FINTRAC had gotten no feedback from those two agencies as to whether that information was useful, whether it had been used in subsequent prosecutions or whether it could be provided in a different way that would be more effective for your agencies. I'm asking you whether those points have been addressed and taken care of in the sense not of pointing a finger at FINTRAC, but as CSIS and the RCMP got into it and responded to FINTRAC, saying no, you're not doing a good enough job; we need the information this way as opposed to the way you've been giving it to us. Give them, however, some feedback so they know whether they're doing a decent job.

• (1625)

**Mr. Jim Judd:** That has been done, yes.

**Mr. Joe Comartin:** I want to go to the budget as well, Mr. Judd. I keep hearing this figure. I think I've heard it from the Deputy Prime Minister and I know I've heard it from Commissioner Zaccardelli in the past. It's that since September 11, 2001, we have increased the amount we have spent across all of the departments, all of the agencies, by roughly \$8 billion over three budgets. I see from the figures you gave Mr. Ménard that your individual budget has increased by over \$100 million in that time, more than 100%. Can you tell me how much of the rest of the \$8 billion is under your administration and direction, if any?

**Mr. Jim Judd:** None of it. The \$100 million increase that has taken place over five or six years is the money that's in our organization, and the rest of the money would be spread around a host of different agencies and departments in the federal government.

**Mr. Joe Comartin:** Mr. Neufeld, you may be able to respond to this. With regard to ITAC, it's been going for a little over a year now—is it a year?

**Mr. Jim Judd:** Not quite. It started up last summer.

**Mr. Joe Comartin:** Is there any reason we didn't start that earlier? I'm back to the interaction between the agencies, and here you have your senior personnel, for the first time in almost exactly two years, since September 11, meeting in a cohesive fashion. That's my first question: why didn't it happen earlier? And if you could, without going into operational matters, tell us how it has been working over these last eight or nine months.

**Mr. Jim Judd:** It didn't happen, I think, for the same reason it didn't happen until recently in other jurisdictions, which is to say the United Kingdom and the United States both moved earlier than we did by a year or so to this kind of integrated threat assessment centre. The need for that in those countries and in our own country really reflected the fact that we had to do a much better job than we had been doing of having people work together on a single problem set and providing better-quality advice to our respective governments.

In terms of the organization itself, it is partially staffed by CSIS personnel, who are the minority there, and then by staff who are drawn from a variety of departments and agencies elsewhere in the government. Since it was set up, a lot of time and effort have gone into filling the jobs and putting together the technology, the informatics systems, for them.

But they have been rolling out threat assessments since early last fall. That's building up, as are the technological capacity and the staffing levels.

The other thing they've been working on fairly intensively is developing more intimate and closer contacts with both the British and the Americans and some of our other partners, like Australia and so on.

**Mr. Joe Comartin:** Who's chairing ITAC right now?

**Mr. Jim Judd:** The operational head of ITAC is a senior RCMP officer.

**The Chair:** Thank you.

Mr. Wappel, please.

**Mr. Tom Wappel:** Thank you very much, and good afternoon.

Is there any reason you can't give us the name of the senior RCMP officer?

**Mr. Dale Neufeld:** His name is John MacLaughlan. He's an assistant commissioner in the RCMP.

**Mr. Tom Wappel:** Thank you.

I'll just ask a few random questions, if I may. Bill C-36 amended one section of the CSIS Act. Does CSIS, in view of the three years that have passed, see any need to further amend the CSIS Act in order to help combat terrorism, and if so, in what way?

• (1630)

**Mr. Jim Judd:** Quite seriously, that's the same question I asked when I arrived in the job.

We have some work under way inside the service at present with both our legal counsel and the operational parts of the service to address exactly that issue. At this juncture, unfortunately, I don't have an answer to it, but as soon as I do have an answer, I'll be happy to come back and explain that, if in fact there is a conclusion, some adjustment has been made.

The act, as I recall, since its introduction more than twenty years ago, has only had that one amendment to it, so it seems to have stood the test of time fairly well. But it doesn't hurt to double-check, which is what I've asked be done.

**Mr. Tom Wappel:** Thank you.

We have a briefing note here for us that says the Anti-terrorism Act made only a minor amendment to the definition of threats to the security of Canada, which we've just talked about. "It did, however, assign additional responsibilities to CSIS related to the listing of terrorist entities, tracing of terrorist financing, and the de-registration of charitable organizations". Is that an accurate statement of additional responsibilities given to CSIS?

**Mr. Jim Judd:** Yes.

**Mr. Tom Wappel:** Can you tell me how those additional responsibilities were given to CSIS? Were they given by executive order, were they given by statute, or were they given by regulations? How were they given?

**Mr. Jim Judd:** I think it was just a matter of policy that as we were the national security intelligence agency, these tasks fell within our mandate and we were asked to carry them out.

**Mr. Tom Wappel:** Who would have made that determination?

**Mr. Jim Judd:** The government of the time, I assume.

**Mr. Tom Wappel:** Mr. Neufeld, do you know anything contrary to that or anything like that?

**Mr. Dale Neufeld:** No, I can't add anything, actually.

**Mr. Tom Wappel:** So somebody told you at some point that your duties include helping to list terrorist entities, tracing terrorist financing, and deregistration of charitable organizations, but we don't know who and we don't know when.

**Mr. Jim Judd:** That would have been the decision of government at the time, to task the service with doing those.

**Mr. Tom Wappel:** For clarification, Mr. Neufeld, if I might, you were talking about security certificates, I believe, and you want to get the people before they get Canadian citizenship, because after that, the immigration act doesn't help. I think that's more or less exactly what you said. I'm a little unclear about that. Are you suggesting that if a person gets their Canadian citizenship, it can't be revoked?

**Mr. Dale Neufeld:** I believe there is a process for revoking Canadian citizenship. I think the grounds upon which to do that are quite narrow. I think it has been done very rarely in Canada's history. It's much easier, I think, to deal with an individual before they acquire the citizenship and the Canadian passport.

**Mr. Tom Wappel:** It may very well be, but we're talking about incarcerating a person without charge, and generally speaking, that tends to go against Canadian values, I would think. Surely if a person is asked, have you ever been or are you now a member of a terrorist organization as defined by section so-and-so of such-and-such an act, and the answer is no and it is subsequently determined that the answer was false, surely that's a prima facie reason to revoke Canadian citizenship. Wouldn't you agree?

**Mr. Dale Neufeld:** I don't know. I really don't know what the grounds are. I can certainly get them for you and report back.

I think there are a number of other cases in Canada, such as war criminals who would have lied when they came into the country, and I think our nation has had a very difficult time deporting them. Once a person has all the rights and privileges that go with Canadian citizenship, it becomes very hard to deal with someone, especially unless a significant act of terrorism has been committed.

Often what they want the documents for is not to conduct an act of terrorism here, but to take that document and go somewhere else in the world where Canadian citizenship buys you free passage.

**Mr. Tom Wappel:** I'm not sure if Mr. Sorenson touched on this, and if he did, I apologize, but I just want to ask about it again.

What's the acronym for the Tamil Tigers? Is it LTTE?

• (1635)

**Mr. Jim Judd:** Yes.

**Mr. Tom Wappel:** All right.

I know CSIS considers LTTE a terrorist organization—right? I know it is listed by the United Nations as a terrorist organization, and I know it is not listed under our domestic law. But in practical terms, does that matter, given that it is listed by the United Nations and we

have to help the United Nations in enforcing anti-terrorism legislation? What's your comment on that?

**Mr. Jim Judd:** My understanding is the fact that it has been listed under the United Nations' regulations provides the government with many of the same tools and authorities to deal with the organization as it would if it were listed under Bill C-36. But since I am not a lawyer, you might want to save that question for a member of the bar who might appear before the committee before too long.

**Mr. Tom Wappel:** Okay. It seems to me to be a question that would go beyond legal circles, because it would be part of the tools that one might use in the anti-terrorism war, if I could put it that way. Really, I'm trying to reassure myself that simply because the organization is not listed, for whatever reason is stated, including possibly damaging the peace process, it doesn't prevent Canada from using other mechanisms, including international mechanisms, in its fight against terrorism. Am I reasonably accurate? I believe he has already said that.

**Mr. Jim Judd:** I believe that's correct, but as I say, we would probably benefit from a more practised jurist's view on that.

**Mr. Tom Wappel:** All right. So we'll leave that where it is.

We talked about these additional responsibilities. What's your role in delisting charities or deregistering charities? How does it work?

First of all, has that happened yet?

**Mr. Jim Judd:** It has not happened, to my knowledge.

**Mr. Tom Wappel:** Okay. Are you working on any now, in the abstract?

**Mr. Jim Judd:** No, not that I'm aware of at the moment.

**Mr. Tom Wappel:** Okay. Do you have any protocols in place for how to deal with that situation should it arise?

**Mr. Jim Judd:** There is an established process for dealing with it, which, if my memory serves me correctly, involves a case being made as to the grounds why that should happen. It would require the full participation of the Canada Revenue Agency in making such a determination, and then I believe it would require at least one, if not more, ministers to agree with the advice that was being tendered to it by the service.

**Mr. Tom Wappel:** Okay.

Just going back to ITAC, if I might, it's headed by an RCMP officer, but it's established within CSIS. Why isn't it headed by CSIS?

**Mr. Jim Judd:** It's established in CSIS simply to provide the lodging or accommodation, I guess, if you will. It's headed by a non-CSIS person partly by way of providing a tangible demonstration that it is a broader entity, not just a CSIS organization but more of a "whole of Government of Canada" organization.

**Mr. Tom Wappel:** So is this a new creature, or did it replace something else?

**Mr. Jim Judd:** ITAC is new as of last year. There was an analogous organization that was exclusively a CSIS organization that it has since superseded to provide the more whole-of-government approach.

**Mr. Tom Wappel:** Are you at liberty to tell us who are members of the centre? You told us who heads it.

**Mr. Jim Judd:** Yes.

**Mr. Tom Wappel:** For example, are you in it?

**Mr. Jim Judd:** CSIS has officers working there. There's the Department of Foreign Affairs, Transport Canada, and the Canada Border Services Agency. The public security ministry, I think, is at least committed to have people there. The Privy Council Office is committed to have people there. It's essentially meant to be composed of representatives of those departments and agencies that have a direct interest principally in security issues, whatever they might be.

• (1640)

**The Chair:** Thank you, Mr. Wappel.

Mr. Macklin.

**Hon. Paul Harold Macklin (Northumberland—Quinte West, Lib.):** Thank you, Chair.

When we look at the issue, it's all very complex, I think, for most of us to try to get a handle on—first of all, the threat and what we can do with the threat, and in particular, when we're talking about charities, we're obviously speaking about funding and how these organizations fund themselves. Are we finding any particular patterns that have changed in the way in which funding occurs for these various individuals?

You said the whole organization, as it once was, seems to have morphed into now more individual groups. Have you in some way followed the way in which funding occurs for these various groups, so that we might get some sort of assessment as to what we're looking at as to how these individuals are able to maintain themselves? Or do they individually fund themselves on a general basis?

I know it's hard to generalize, but if in fact historically we felt it was important to go forward and list certain entities so that they didn't have proper charitable status because we believed that was funnelling money to support these organizations, has there been a change now in the way they're funded that we should be looking at?

**Mr. Jim Judd:** I think the fundraising activity is buried fairly substantially. In the case of al-Qaeda, some of that was from the personal cheque book of one individual. Other fundraising activities have involved relationships with organized crime, like narcotics and trafficking, or the case Dale mentioned of cigarette smuggling.

We know in other instances that fundraising activity has essentially relied on fairly old-fashioned techniques of various kinds, like theft and robbery. Many of the individuals who were associated with bombing of the trains in Madrid funded their activities that way. On other organizations, for example, the IRA have been associated with bank robbing and activities of that sort. The other fairly generic manner of raising funds is through direct appeals to like-minded communities in different countries to support

a cause that is associated with a particular group. That too is fairly commonplace around the world.

I don't know, though, that there has been a particular trend that has manifested itself in terms of how this may have changed over the last several years.

**Hon. Paul Harold Macklin:** Let's move on then to the assessment itself. I know for you, Mr. Judd, it may be difficult to comment on whether there's been an increase or decrease in the threat, let's say since 9/11. I know there are certainly many instances that are being demonstrated on your list of actual incidents.

How do you go about forming an opinion on whether there's an increasing threat or a decreasing threat to us as a country?

**Mr. Jim Judd:** That's a terrific question. It's a question of the experience of the people who work in the security and intelligence domain in Canada and in the law enforcement domain in Canada. Having come to this business fairly recently, it's a question I ask myself, quite frankly. I guess my own thinking has been that what differentiates our circumstances now from before 9/11 is the fact that Osama bin Laden and al-Qaeda have specifically designated Canada as one of six target countries, which is quite new. That didn't exist before 9/11.

Secondly, of the six countries so designated, I believe we are the only one not to have been a victim of an attack on our territory. So just from an oddsmaker's vantage point, that makes me a little nervous. The other fact I guess is that despite the progress that has been made in addressing the terrorist threat here and elsewhere, it continues to show signs of vibrancy around the world, including here.

Finally, the thing I always bear in mind about some of the more spectacular incidents is that they were a very long time in gestation, in terms of the planning. It was two or three years or so, in some instances, before actions were actually launched.

But I would defer to my much more experienced colleague to see if he has something to add.

• (1645)

**Mr. Dale Neufeld:** The director touched on three elements that I think really have an impact on the threat today.

If I was sitting before you two or three years ago, I wouldn't talk about two of the real trends that we see in this country. Our allies see it as well. It's the second generation, the children of Muslims who are born in this country. They have a very normal upbringing, according to our analysis, but at some point in their teenage years or young twenties, they decide that radical Islam is the path they want to take.

I think of the Khawaja case, which is the young gentleman who was arrested here in Ottawa and is currently in jail. Unfortunately, at the moment, there is a publication ban, but when it becomes public, you'll find that he was linked to a very large number of people from the United Kingdom who fit the very same description. They didn't come from battle-hardened Afghanistan, Iraq, or Chechnya. These were people who had pretty normal upbringings in a very democratic country and at some point decided to go down that path.

The other one is young Canadians who are generally quite disillusioned, which is again very disturbing because it's hard to detect and hard to investigate. They're the kids who don't do well in high school, but could do anything. They could become petty criminals. They could get involved in the drug culture. They might join a motorcycle gang. We're now seeing a number of examples where they decide to take up Islam in the radical form.

Those are two trends, as I say, that I couldn't have talked about before. I do think it's a real challenge for us. It's not just rhetoric. I do believe that when the time comes, a number of these people will attempt to do something quite serious.

I would link weapons of mass destruction to that. Again, the director mentioned that in his talk, but I can assure you, there are many examples in the world. People have been detained by allies in Afghanistan, for example, because of the things they were working on and the types of weaponry they were trying to acquire. I can assure you that they are trying to acquire chemical, biological, nuclear weapons, if they can. If they can get their hands on them, they will use them.

That's the mix we're currently in, and it's a difficult one.

**Hon. Paul Harold Macklin:** When you form an opinion on a particular file and it looks like you have something of substance, how do you make an assessment on when you move this along to other authorities to deal with?

I know that historically there have been commentaries that CSIS has looked after its own, not wanting to get rid of what appear to be active informants who are engaged, and so forth, so they can keep an eye on them. They don't really want to have them put into the system, where they can in fact be arrested or detained in some way, but would rather keep them out there in the so-called active mode. When do you form an opinion that you've gone far enough with these potential terrorists that you send them to the next level to make sure there is an action taken to protect us?

I know you're in an awkward position because you're always trying to be preventative, which is really extraordinarily difficult. I suppose a question that we should also be asking you is in terms of the tools you have to work with. I think it was asked earlier. Are these tools adequate, especially since the job you're trying to do is extraordinarily difficult in terms of being preventative?

• (1650)

**The Chair:** Thank you.

Do you want to give a short reply to that?

Sorry, we're over our time.

**Mr. Dale Neufeld:** I'll try to give a short answer.

First, in terms of the judgments made for a lot of our most serious investigations, those calls are actually made by the two of us sitting up here. We're a very centralized decision-making organization.

Second, I'm responsible for the operational side of our organization. I can tell you the last thing that I want to have happen is to be running an operation for the sake of collecting intelligence and then have something catastrophic happen and the service be responsible. I can tell you that when I think I'm near that threshold, with the

director's advice and guidance, I will be very anxious to give that to an enforcement body, be it the police, immigration, border authorities, or someone else. I think we're pretty judicious in terms of when we pass it over.

That said, this may be part of the historic criticism of our relationship with the RCMP. There are a lot of times when it makes very good sense. Canada is a safer place when we continue to run an operation, rather than dismantling it at that point in time.

**The Chair:** Thank you, Mr. Neufeld.

Mr. MacKay.

**Mr. Peter MacKay (Central Nova, CPC):** Thank you, Mr. Chair.

Mr. Neufeld, I would just give you a little bit of advice. Whenever a government member asks you if you need more money in your budget, just say yes.

I want to welcome you both and thank you for your attendance and your frank discussions here.

I have a couple of specific questions and then some broader ones.

Mr. Judd, welcome to your position. I appreciate your presentation, particularly with respect to the risk assessment for Canadians, the call for vigilance, and the recognition that we have international obligations. I wonder if you agree with a rather startling wake-up call assessment by your predecessor, Ward Alcock, when he said that it isn't a matter of "if" there is going to be a terrorist attack in this country, but a matter of "when".

Do you agree with that?

**Mr. Jim Judd:** As I said before in response to another question, one's sense of the odds would certainly lead me to endorse that, yes.

**Mr. Peter MacKay:** I have a question on the chain of command. The Privy Council Office has a security intelligence secretary, as you're aware, a gentleman who is there to presumably keep the PCO advised of some of the activities, some of the operations.

What is your understanding of that relationship with the secretariat, and when information is relayed to that office, is it your understanding that this is the means by which CSIS shares its information with the PCO? Is that the sole source of communication?

**Mr. Jim Judd:** No, the Privy Council Office has in it a national security adviser to the Prime Minister—

**Mr. Peter MacKay:** That post is going to be vacant, I understand.

**Mr. Jim Judd:** It will be vacant later this spring when the current incumbent, Mr. Wright, leaves.

The service provides a daily briefing to Mr. Wright on more topical, time-sensitive issues, but over and above that, Mr. Wright also has working for him an intelligence assessment secretariat and the security and intelligence secretariat, and we interact with them on an ongoing basis, as do other parts of the government, such as the RCMP, on these issues.

**Mr. Peter MacKay:** The day-to-day communication is done through the secretariat, but there would be occasion for direct briefings between, for example, you and Mr. Wright, or whoever will be his replacement?

**Mr. Jim Judd:** Yes.

**Mr. Peter MacKay:** My next question deals with the mandate.

In light of the new powers that have been conferred upon your department and the intent to gather information and prevent...which is obviously part and parcel of that mandate, there was a statement made by a former deputy clerk of the Privy Council, Richard Fadden, that CSIS didn't have a sufficient mandate to collect intelligence abroad but depended heavily on other countries for intelligence information. Last April the current Minister of Public Safety and Emergency Preparedness tabled a report called "Securing an Open Society: Canada's National Security Policy". In that report there's a reference to this issue, and it is stated that "No changes to the current mandates and structures of Canada's security and intelligence agencies are being proposed at this time." This is a report tabled just last April.

However, last week the same minister was before the Senate committee on the review of the anti-terrorist legislation, and she was quoted there as saying that while CSIS does collect foreign intelligence, she made no secret that she thought they should collect more.

My question to you is aimed at putting to rest some of the confusion around the subject of foreign intelligence gathering. Granted, you're new to the position, but in your view, what is CSIS's mandate to collect foreign intelligence? What is the legal basis for them to do so?

More important—this would be for both you and Mr. Neufeld—is this something you feel CSIS can do more of, expand upon? Precisely, is there a need for a separate branch, as we have seen in the United States with the FBI, the CIA, where there is a specific organization tasked with foreign intelligence gathering?

That is a long question with a lot of information, but I wonder if you can address it.

• (1655)

**Mr. Jim Judd:** Sure.

I'll start off with a terminological explanation to draw a distinction between national security intelligence and foreign intelligence. CSIS has been collecting national security intelligence outside of Canada for some time through a variety of means, and continues to do so. I believe it is the minister's view, as she outlined to the Senate committee and elsewhere, that it would be to the benefit of the government and the country as a whole if CSIS were to do more of what it's doing now.

I would distinguish that from the collection of foreign intelligence outside of Canada. Our current mandate on foreign intelligence limits us to collecting foreign intelligence within Canada, which is to say, intelligence about the intentions and activities of foreign governments. We do not have a mandate, legally, to do that outside of Canada.

Briefly, I believe the minister was referring to the desire to see us do more in the way of collection of national security intelligence information overseas, as opposed to foreign intelligence.

**Mr. Peter MacKay:** In that vein—and I don't want to put you in a position of having to disclose or even reference something that falls within that rubric of protected or sensitive information—but you would be aware of reports last week of concerns about the security of dams on the St. Lawrence, and at Manicouagan and James Bay.

But looking beyond that particular situation, are Canada's energy sources, the tar sands and pipelines, an area on which CSIS has expressed concerns or heard or assessed there to be a threat targeting any of those energy sources? Finally, has there been concern expressed by our allies specifically about the vulnerability of those energy sources?

**Mr. Jim Judd:** The answer to your second question is not to my knowledge.

The answer to your first is that the whole issue of what might be called the critical infrastructure of the country, including energy sources, supplies, and transition systems, amongst others, is very much a concern of the public safety and emergency preparedness department. They really have the lead in working on those issues with both provincial and municipal governments. I believe I'm correct in saying that our minister hosted a meeting a few weeks ago of all federal, provincial, and territorial ministers responsible for those areas to try to ensure that there was a coordinated effort at all levels of jurisdiction on those issues.

CSIS, I think, may have undertaken some work on it, but the principal lead is with the department at large.

• (1700)

**Mr. Peter MacKay:** You would agree that in situations involving that critical infrastructure and those particular energy sources, the key or focal point has to be prevention. Are you aware of any express concerns specifically about terrorist attacks that would impact, destroy, or disable that critical infrastructure?

**Mr. Jim Judd:** I don't know that we have any current specific threats with respect to that kind of infrastructure. As you and others know, we've certainly had some significant issues around that with the ice storm and the power outage in Ontario a couple of years ago. But I don't know that we've had anything that's been terrorist-linked to that.

**Mr. Dale Neufeld:** Perhaps an interesting reaction is that we do now vet all employees in Canada's nuclear industry, for example. That is a precautionary step that's being taken.

I think we've seen other signs where terrorists have at least considered attacking something like a nuclear reactor, which would be a spectacular attack and have serious long-term consequences. But I must say, I have not seen anything concerning Canada's dams, pipelines, or other things. But I think there's some expertise being developed; they keep blowing up the Iraqi oil lines on a regular basis, so I think they have a pretty good understanding of both how to do it and what the impact is.

**Mr. Peter MacKay:** Certainly you're not aware of any necessity for an alert on this subject.

**Mr. Dale Neufeld:** I'm much too cautious to say that. I would think any soft target that's available could be attacked with ease, and I suggest a lot of the ones you mentioned would fall into that category. They would be vulnerable.

That said, in my educated opinion, I think they'd probably sooner do something here in Ottawa, which would be much more symbolic. We've seen some evidence of their being interested in the Métro in Montreal or the GO Train in Toronto, and so on. So I think those are the more likely venues for attack.

**Mr. Peter MacKay:** Thank you.

**The Chair:** Thank you.

Colleagues, I want to, on your behalf—

**Mr. Serge Ménard:** Mr. Chairman.

**The Chair:** Sorry, I just assumed that no one else wished to ask questions.

Mr. Ménard.

[*Translation*]

**Mr. Serge Ménard:** Your role is mainly one of preventing terrorist activities but in such circumstances, when you have evidence that illegal acts are taking place, you do not to go after the offenders.

Do you report them to the enforcement agencies to whom you give all the evidence you have or do you simply do nothing?

[*English*]

**Mr. Jim Judd:** In a circumstance like that, we would go to the law enforcement agencies, the RCMP or whoever had jurisdiction.

[*Translation*]

**Mr. Serge Ménard:** You know that building a case for a court proceeding and sending officers for several days in a row can be a very costly proposition. As a matter of fact, you do not do that regularly.

I don't know how much you are spending annually in such procedures but it must be a paltry amount. You leave that to the police.

[*English*]

**Mr. Jim Judd:** I can answer that question in two parts. We already do spend a lot of money on legal proceedings, not necessarily court proceedings per se but certainly appearances before Federal Court judges for warrants and for some of the activities that we believe are necessary in doing our work. There

have been instances as well where CSIS operatives have appeared in criminal proceedings, both in Canada and outside Canada.

[*Translation*]

**Mr. Serge Ménard:** On a different topic can you tell me if Canadian groups looking for a significant political change in Canada represent a terrorist threat?

Do you rather focus on terrorist groups who target the free world?

• (1705)

[*English*]

**Mr. Jim Judd:** I'd say, sir, that our interests tend to focus particularly on the broader generic threat to any part of Canada or any part of the world, as opposed to threats around the question of political change in Canada.

**Mr. Dale Neufeld:** I can add something, if you wish. The vast majority of our resources are dedicated to countering terrorism. The vast majority of those resources are dedicated to the international threats.

That said, we devote a very small number of our resources to what we would call domestic threats. These would be individuals or groups that would use the threat of serious politically motivated violence.

I'll give you examples at both ends of the spectrum. We have white supremacists, for example, and that occupies a little bit of our time. It's not a serious threat in Canada, but it meets the threshold in some cases. We have some aboriginal concerns when they decide that violence is the best way, including blowing up fishery boats and those types of things. That would again come into our area of interest.

So you find a bit on both ends of the political spectrum. In that, we're very lucky. That 49th parallel means a great deal to us. Domestic extremism in this country is a very minor problem for us compared, for example, to our American friends.

[*Translation*]

**Mr. Serge Ménard:** Some 20 or 30 years ago it was a different ball game and if I read you correctly, this is a thing of the past now.

[*English*]

**Mr. Dale Neufeld:** Our act states—and this may be, sir, what you were getting at—the four parts of our mandate, what we can investigate, and we still have in our act paragraph 2(d), which deals with counter-subversion. Since 1988 we've required the minister's approval to investigate a subversive group, a subversive element. We have not asked the minister for any approval since 1988.

**The Chair:** Colleagues, I'm reminded that we have a vote at 5:30 p.m., with bells at 5:15 p.m.

I'm going to interrupt you, Mr. Ménard.

Mr. Comartin, I'm going to take one short question. If we don't, we will miss your motion, which we may have to defer to another day.

**Mr. Joe Comartin:** We would not want to do that, Mr. Chair.

**The Chair:** No.

**Mr. Joe Comartin:** Actually, I'm going to send Mr. Judd a letter that will encompass the question I was going to ask him. I would appreciate a prompt response.

**The Chair:** Please send a copy to all of the members. Would that be okay? Great.

Thank you, Mr. Judd, Mr. Neufeld. We appreciate you being our first witnesses for this important study that we've undertaken. As many colleagues have suggested, we look forward to working with you, and we welcome you in your new position at CSIS. And if you feel there is some reason why you would like to come back to our committee at any time over the course of the next year, please do so—and you may be hearing from us as well.

Thank you. The witnesses are excused.

We might as well go right to Mr. Comartin's motion, colleagues.

Mr. Comartin, I want to review this quickly. This motion has been duly circulated. We now have it in both official languages. It's

essentially dealing with the two subject areas that we had I think in principle agreed to.

Mr. Comartin, if there's any discussion on the question.... Do you want to put the question or resolution?

**Mr. Joe Comartin:** To my colleague, Mr. Wappel, who didn't want all the "whereases", I want him to know that they're only here because I have to take this to the full justice committee; I know that all of the members of this committee understand the background, but they won't, so that's why they're in here. But I quite frankly would be prepared to take them out for the purposes of this meeting.

● (1710)

**The Chair:** Can I have this as a motion as read? Is there any debate or discussion? All those in favour?

(Motion agreed to [See *Minutes of Proceedings*])

**The Chair:** The meeting is adjourned.

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