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Chair

Mr. Garry Breitkreuz

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•(1105)

[English]

The Vice-Chair (Mr. Don Davies (Vancouver Kingsway, NDP)): Good morning, everyone.

I call the meeting to order. This is the Standing Committee on Public Safety and National Security. This is meeting number 28, called for Monday, July 5, 2010.

The purpose of the meeting today, pursuant to Standing Order 108 (2), is to receive a briefing on the Canadian Security Intelligence Service and specifically to hear from Richard B. Fadden, the director of CSIS, to obtain a briefing and permit the committee members to ask questions.

Mr. Fadden, the custom of our committee is to give each person appearing ten minutes for opening statements, which we will be extending to you. Before we do that, we will be administering an oath, sir.

[Translation]

The Clerk of the Committee (Mr. Roger Préfontaine): Please, repeat after me: I [say your name] swear to tell the truth, the whole truth and nothing but the truth, so help me God.

Mr. Richard Fadden (Director, Canadian Security Intelligence Service): I, Richard Fadden, swear to tell the truth, the whole truth and nothing but the truth, so help me God.

The Clerk: Thank you, Mr. Fadden.

[English]

The Vice-Chair (Mr. Don Davies): Thank you, sir.

Mr. Fadden, you have the floor for ten minutes, after which we will proceed with the question portion of the meeting.

Mr. Richard Fadden: Thank you very much, Mr. Chairman.

Let me start by introducing my two colleagues. I have with me Mr. Andy Ellis, the assistant director of policy, and John Dunn, who is the service's director general of communications.

I appreciate this opportunity to appear before the committee with a view to clarifying a number of issues that have arisen as a result of remarks I made during the CBC special on CSIS. I propose to take the few minutes available to me to comment on the following: one, CSIS's decision to be more open to the public; two, the nature and scope of foreign interference in Canada; three, an explanation of how I came to mention the possibility of two specific foreign interference cases; and four, the extent to which anyone outside the service was

aware of foreign interference in general and the two cases specifically.

Let me start with why I believe Canadians should be more informed about the threats Canada faces. While the CSIS Act has set up a comprehensive package of accountability, oversight, and control over CSIS, involving the minister, the Federal Court, the Security Intelligence Review Committee, and the Inspector General, the activities of CSIS and especially the threats it must deal with are relatively little known, or to the extent they are known, these threats and activities arise in the context of specific cases or inquiries in which it is often difficult for the service to set out its perspective as the principal Canadian agency designated to protect the national security.

With the exception of the horrific case of the Air India attack, a few other terrorist attacks, and some instances that were successfully prevented, for example the Toronto 18, we have not seen much terrorism on Canadian soil. And we do not, as a country, often reflect on threats relative to espionage, terrorism, and foreign interference. I would argue it is good public policy for Canadians to be more attuned to the threats the country faces.

At this point, Mr. Chairman, I would like to take a moment and explain to the committee how the most controversial part of the recent interview came to be in the public domain. I am referring to the cases of foreign interference. I made these remarks during a question-and-answer session following a speech I gave at the Royal Canadian Military Institute on police appreciation night. This took place on March 24 of this year. As part of an agreement between the service and the broadcaster to develop a special broadcast commemorating the 25th anniversary of the service, we agreed they could film my visit to the RCMI.

I thought the filming was limited to my speech, so in answering a question I provided a degree of granularity, or detail, to an audience of police, intelligence, and military experts that I would not have provided to the public. Confronted by the broadcaster in late June with the substance of the remarks recorded three months earlier, I felt I had little choice but to address them in a forthright manner. I agree that this was not the optimal way in which to have this matter raised in public, and I wish it had turned out differently.

•(1110)

[*Translation*]

Mr. Chair, let me make two points: my comments did not in any way threaten national security, and was purely an oversight on my part that the information was made public. I do not agree with all the criticism voiced, but I regret any distress I might have caused and would not provide such detail again. Having said this, I stand by my general message on foreign interference—it is a concern and a threat, it is more common here and elsewhere than many think and it is desirable that this threat should be known and discussed. Actually, as I will point out later, this matter is not new and has been raised in many of our recent public reports, available to all Canadians.

As I mentioned a few moments ago, the examples I gave did not, and do not today, meet the criteria for us to consider them to represent immediate threats to the security of Canada. That is why the Minister of Public Safety was not informed about it, although he is generally aware of foreign interference in Canada. The same applies to the Privy Council Office.

[*English*]

Since that part of the interview that raised the most questions was the issue of foreign interference, let me take a few minutes to discuss its nature, scope, and extent.

Parliament clearly recognized the existence of this problem at the time the CSIS Act was passed in 1984, that CSIS has a clear mandate to investigate foreign interference as a potential threat to the security of Canada. I say “potential” because unlike cases of terrorism or espionage, where the threat to national security is more immediate and where the ramifications can be extremely serious—for example, loss of life or loss of serious national secrets—foreign interference operates on a range of seriousness, and it is only the most serious cases that constitute clear threats to national security. I’ll provide some examples in a couple of minutes.

First, what is foreign interference? Simply put, it is an attempt by agents of a foreign state to influence the opinion, views, and decisions of Canadians with the aim of obtaining a political, policy, or economic advantage. The CSIS Act talks about the threat of foreign influenced activities as

activities within or relating to Canada that are detrimental to the interests of Canada and are clandestine or deceptive or involve a threat to any person,

This is, of course, a broad definition that could involve many facets of behaviour, but it’s important to note that for behaviour to be considered as true foreign influence, it must be directed against the interests of Canada and must be deceptive in nature.

[*Translation*]

It is also important to note that, unlike espionage and terrorism that can result in more immediate damage to our national security, foreign influence is really more of a process of relationship-building. This is not a simple, binary, black and white issue. We are dealing here with a spectrum of behaviour by foreign entities that often start out innocently but later veer toward something that actually harms Canadian interests. This is a very subtle process.

Central to our concerns with true foreign interference is the strong belief that decisions about Canada must be made by Canadians for

Canadian reasons. And that means by those who are loyal to Canada—whether they have been here for generations or whether they were granted their citizenship last week.

[*English*]

We realize that citizens are sometimes caught in this process of foreign interference unwittingly, and we assume from the outset that citizens are loyal. Our central concern is with what foreign powers are trying to do in Canada and why.

Our service also understands that most Canadians have links with homelands, whether real and recent or as remnants of our past, as we are a remarkably diverse country. This is normal for a country that plays such a large role in the world and whose citizens literally come from everywhere.

For our purposes today, I’ll limit my remarks to foreign interference in the Canadian political process. A couple of explanatory points, Mr. Chairman. Unlike terrorism or espionage, there is not always a breach of the law. Like terrorism or espionage, however, at least some of the influence is covert or secretive. Unless the Canadian being influenced commits a specific violation of Canadian law, the issue of concern to CSIS is Canada’s democratic process being affected secretly and by a foreign state.

CSIS’s objectives are threefold: to identify the foreign agent and to cause the influence to be stopped; to identify the person being influenced, with a view to making the appropriate authorities aware; and to generally protect Canadians from this sort of pressure. The persons being influenced are often Canadians with whom the foreign agent can relatively easily develop a relationship.

Having set out the essential characteristics of foreign interference, let me try to illustrate the range of seriousness I mentioned earlier. Regular and overt diplomatic contacts typical in the business of international affairs do not constitute concern unless they become part of a longer-term plan or spectrum of behaviour that is detrimental to the interests of Canada.

Let me skip through a range of intermediate examples and set out one at the other end of the spectrum. Thus, a case that would be of interest to CSIS would involve an agent of a foreign power providing a Canadian, over months or years, with various benefits, which become increasingly significant yet less and less open over time. This relationship includes an extensive exchange of views, opinions, and information slanted toward what the foreign state is interested in. At some point, consciously or not, the Canadian’s views are changed and he or she begins to push or advance them as his or her own, thus potentially affecting decisions with which he or she is involved. The very important point is that foreign interference is intrinsically objectionable to Canada, whether or not it succeeds in attaining the objective of the foreign state, because such activity becomes detrimental to the interests of Canada.

•(1115)

[*Translation*]

I would like to leave you with the following points, Mr. Chair.

First of all, national security is not always directly or immediately involved in cases of foreign interference, but, where the possibility exists that there is harm to national security, and we have reasons to suspect this is true, we must investigate.

Second, CSIS' mandate is to protect Canadians and our democratic process from covert and deceptive influence.

Third, the Canadians identified to be influenced can be anyone with the potential to affect decisions in a manner favourable to the foreign state.

[*English*]

While I cannot discuss in any detail the two examples that emerged during the CBC special, I'd like to make three additional points. One, there was and is no immediate threat to the national security, so we are taking the time to complete our analysis before reporting to government. Two, given this, there was and is no need to brief the minister until such time as CSIS has completed its analysis and discussed it interdepartmentally. Three, only when these consultations are complete will the service brief the Minister of Public Safety and make recommendations on how to proceed.

Since various media reports have gone to air, one aspect of the discussion on foreign interference that has surprised many in the security and intelligence community has been the general shock at the existence and extent of foreign interference in Canada and elsewhere. I would not wish to belabour the point, but as I indicated earlier, CSIS has been informing successive governments of the threats since its creation. Its last five annual reports have referred to it, and Parliament has annually granted funds for us to investigate foreign interference. It is a threat that is not unique to Canada. Our close allies are also targeted, and it is probably worth noting that our two review bodies have over the years regularly looked at and commented on our foreign interference investigations in the same manner in which they review, for example, our terrorism cases.

Mr. Chairman, let me conclude by summarizing a few of the points I've tried to make this morning. One, we do believe there is merit in Canadians' being more informed about the threats to our national security. Two, foreign interference as set out in the CSIS Act is a threat in Canada, and a threat of which Canadians should be aware. Three, CSIS's principal interest in foreign interference is protecting Canadians in Canada against the efforts of foreign powers. Four, anyone can be the subject of foreign influence, and often they are initially unwillingly or unwittingly so. Five, foreign influence is not always a direct or obvious threat to national security but rather a process that over time can covertly influence our democratic processes. Six, in respect of the two examples I gave, neither my minister nor the Privy Council Office was briefed on the cases, although they are generally aware of the threat of foreign interference.

Mr. Chairman, I hope these remarks have been helpful. They have been drawn together on the basis of public and parliamentary

comment, but I should be pleased to try to answer questions on any other matter.

Thank you, Mr. Chairman.

The Vice-Chair (Mr. Don Davies): Thank you, Mr. Fadden.

The procedure, as you are probably aware, is that we will all have questions, beginning with the opposition, who will have seven minutes to question you.

Monsieur Proulx.

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Thank you, Mr. Chair.

Good morning, gentlemen, Mr. Ellis, Mr. Dunn, and Mr. Fadden.

Mr. Fadden, thank you for being here today. I want to start by recognizing the distinguished career you have led in the public service. Your contribution to this country has been immense. But we are here today because of comments you made in a nationally televised interview, in which you stated that at least two provincial cabinet ministers and a number of public servants and municipal government officials are under the control of foreign countries as part of espionage schemes. Canadians from all backgrounds want answers to lift the cloud that has been cast on them.

I know you have answered some of these questions, but I want to make sure we understand each other very well.

•(1120)

[*Translation*]

Did you inform the Prime Minister's National Security Advisor or anyone else in the Prime Minister's Office or in the Privy Council Office about your concerns?

Mr. Richard Fadden: Mr. Chair, we express our general concerns about foreign interference on a regular basis. However, no one has been notified about the two cases you are interested in.

I did mention though that we had some issues of concern in this area during a meeting with the National Security Advisor. I brought that up because I was seeking the advice of the Privy Council Office on what to do if we actually decided that some cases involved unacceptable foreign interference.

Mr. Marcel Proulx: Mr. Fadden, in broad terms, you are saying that some people were aware of the situation. Who are those individuals? When did you talk to the Prime Minister's advisor and what did you tell her?

Mr. Richard Fadden: Mr. Chair, I do not remember the details of my conversation with the advisor. In essence, I told her that CSIS was dealing with some cases of foreign interference, that I thought provincial politicians might be involved and that we were about to wrap up matters.

Since it did not concern federal authorities, I was not sure how to proceed. I asked her to think about the issue and to let me know what the procedure would be if, after closing our files, the government decided to go forward with the matter.

I do not remember the exact date, but it must have been at the beginning of this year.

Mr. Marcel Proulx: The beginning of 2010?

Mr. Richard Fadden: I think so.

Mr. Marcel Proulx: Thank you.

[*English*]

You specifically stated, and I quote: “In the case of the couple of cabinet ministers, we are in the process of discussing with the centre how we’re going to inform those provinces.”

You mentioned that you had discussed this with the national security adviser. You also later clarified that “the centre”, as quoted by you, is the Privy Council Office. Aside from the national security adviser, who in the Privy Council Office, the Prime Minister’s Office, and the minister for national security’s office were you discussing this with? What did you tell them?

Mr. Richard Fadden: Mr. Chairman, no one.

Mr. Marcel Proulx: The minister responsible for CSIS, the Honourable Vic Toews, has maintained an unseemly silence the past few weeks. Was he aware at any time—and we’re not just talking of the day before your speech or the day before your interview, or the days before—was he at all aware of the concerns you raised in your speech and your CBC interview, sir?

Mr. Richard Fadden: There are two parts to my answer. Was my minister, Mr. Toews, aware of our general concerns about foreign interference? Yes. Was he aware of the two specific cases that are the object of your attention? No.

As I said in my opening remarks, the reason we did not inform him was because we had not formed the final view that we wanted to go forward and inform the government. We had some further analysis to do. And as is usual in cases of this nature, we consult interdepartmentally before we move files forward with ministers.

[*Translation*]

Mr. Marcel Proulx: Mr. Fadden, do you have anyone’s permission to make comments in public?

I am referring to the comments you made both in your speech to the Toronto Police Association and in your interview with the CBC.

Mr. Richard Fadden: Absolutely, Mr. Chair. I am member of a large organization, and our public statements are coordinated. So, for my speech to the Royal Canadian Military Institute, I consulted with some colleagues.

Similarly, several months ago, even before I was appointed, the CBC had asked CSIS for special access to commemorate our 25th anniversary, and everyone had agreed to this.

• (1125)

Mr. Marcel Proulx: Mr. Fadden, when you say that the statements or information are coordinated, I assume that you include in this coordination process someone from the Privy Council Office, someone from the Prime Minister’s Office, or, at least, someone from the minister’s office.

Who are the individuals from those offices working with your communications coordination committee?

Mr. Richard Fadden: Mr. Chair, there is no actual coordination committee. I honestly do not communicate enough to warrant a committee for that purpose. We consulted with the Privy Council Office and my minister’s office.

Mr. Chair, as you probably know, it is not current practice for agencies and departments to communicate directly with the Prime Minister’s Office, and I did not do so in this case.

Mr. Marcel Proulx: You did not communicate with the minister’s office or the Privy Council Office?

Mr. Richard Fadden: No, no, no. Yes, yes. Absolutely. With the minister’s office, yes. With the Privy Council Office, yes.

Mr. Marcel Proulx: Who was your contact in the minister’s office, Mr. Fadden?

Mr. Richard Fadden: I have no idea; it was done for me.

Mr. Marcel Proulx: Could you send us the names through the chair of the committee?

Mr. Richard Fadden: If I can find the information, I will discuss it with my minister.

Mr. Marcel Proulx: All right. Please inform the committee—

[*English*]

The Vice-Chair (Mr. Don Davies): I’m sorry, Monsieur Proulx, your seven minutes are up.

We’ll now go to Madame Mourani for seven minutes.

[*Translation*]

Mrs. Maria Mourani (Ahuntsic, BQ): Thank you, Mr. Chair.

Good morning, gentlemen.

Mr. Fadden, what is the national security advisor’s name?

Mr. Richard Fadden: Marie-Lucie Morin, Mr. Chair.

Mrs. Maria Mourani: You say in your statement that you were at the Royal Canadian Military Institute and made a speech, that the CBC was there, and that you addressed the public, but that you did not think that you were being filmed. I must admit that I find it hard to believe that you knew the CBC was there, but you could not imagine that your speech would be filmed.

You also say in your statement that you made comments that would not normally be shared with the public. Yet, the CBC filmed it. So I do not understand. This is irrational thinking on the part of someone described as intelligent, rational and very responsible. I just don’t understand.

Mr. Richard Fadden: Mr. Chair, as I stated, I was fully aware that my speech was being filmed by the CBC. When I arrived, I was asked if I would agree to answer any questions. That was not part of my action plan and it is not something that I do on a regular basis. I delivered my speech and then they started asking me questions. I honestly forgot I was being filmed during the question period. It is as simple as that. As I have already said, I regret it. But I will repeat that I have said nothing that would put national security in jeopardy. My only regret is that my words were quoted. We have discussed it to death.

Mr. Chair, I was trying to hold a meeting with the military and police officers who were expecting some details. So I talked to them a little.

Mrs. Maria Mourani: Mr. Fadden, you are well aware of bringing a number of politicians into disrepute. By not naming anyone, by not naming any province, and since you are talking about provincial ministers, you are pointing a finger at all provinces and all ministers.

Are you aware that your comments affect all ministers, even though you mentioned two ministers in particular? Your allegations also concern municipal officials from British Columbia. You did not even provide any proof. You are just throwing things out there about foreign interference. Do you realize the fundamental impact this has on all politicians?

Mr. Richard Fadden: Mr. Chair, I think your colleague is exaggerating a little. If foreign interference exists in Canada, we should ask ourselves where the source lies. It is not the guy who delivers letters or the guy who works at Metro. Clearly, it can be traced to Canada's politicians. That should not come as a surprise to anyone.

As I have already mentioned, I regret making the comments in public. I will not be doing that again in the future.

• (1130)

Mrs. Maria Mourani: Mr. Fadden, do you realize that your being sorry does not change the fact that a number of municipal officials from British Columbia and provincial ministers were affected by your comments? Unless you clarify the situation, everyone's reputation will be tainted.

Mr. Fadden, who are the current political traitors?

Mr. Richard Fadden: Mr. Chair, Ms. Mourani uses a term that is completely inappropriate. This has nothing to do with treason or breaking the law. In my comments to Mr. Mansbridge, I said something like:

[*English*]

there may be some "general influence".

[*Translation*]

It is far from being treason, control or corruption. Mr. Chair, your colleague is exaggerating. As I have already said, I regret making those comments. But we are not talking about treason. We are not even talking about breaking the law.

Mrs. Maria Mourani: But you talk about ministers and officials who work directly with foreign countries. You talk about foreign interference and influence that can have fundamental repercussions on Canadian democracy. So you are pointing the finger at people. You say they feel a stronger allegiance to their countries of origin than to Canada. So you define foreign influence in that way. You do not use the word "traitor"; I'm using it.

Mr. Richard Fadden: That is not appropriate here.

Mrs. Maria Mourani: It applies to what you are saying, Mr. Fadden.

Mr. Richard Fadden: Absolutely not, Mr. Chair.

Mrs. Maria Mourani: You are not aware of it, and that's truly a shame. You are not aware of what you have done. That means that you are capable of doing the same thing you did in October, when you pointed your finger at the NGOs and the media for daring to talk

about government policies on terrorism. That's what you are doing. Since October 2009, you have been making the exact same comments.

When you had the interview with the CBC, you still managed to come up with comments from who knows where. You do not want to specify who those ministers are. I am giving you the chance to do it. Mr. Fadden, who are these ministers who are guilty of treason?

Mr. Richard Fadden: Mr. Chair, I wholeheartedly reject the implication of treason. We are not even talking about a breach of the law. In my answers to Mr. Mansbridge, I said that there was a certain influence. There is absolutely no question of treason or a breach of the law. Our primary concern in dealing with this matter is to ensure that Canadian decisions are made by Canadians. We want to protect Canadians. That is what we are trying to do.

Mrs. Maria Mourani: That is what you say. You talked about decisions made by Canadians for Canada, not for other countries.

Mr. Richard Fadden: Yes, Mr. Chair.

Mrs. Maria Mourani: That means people who are not traitors to the nation, Mr. Fadden.

Mr. Richard Fadden: Madam, there is a technical definition of "treason", which you are not familiar with and which you are not using.

Mrs. Maria Mourani: Very well.

Mr. Fadden, did the Privy Council Office and the public safety minister know what you were going to talk about during your interview with the CBC?

Mr. Richard Fadden: Mr. Chair, it is difficult to answer that question, but as I told Mr. Proulx, they were certainly aware of what I was going to do, and they approved my speech.

Mrs. Maria Mourani: So they knew you were going to talk about foreign interference?

Mr. Richard Fadden: Yes, Mr. Chair, and I want to point out that CSIS has been working on that for a number of years. My predecessor did the same thing.

Mrs. Maria Mourani: Were they aware that you were going to identify people without really naming them?

Mr. Richard Fadden: Absolutely not, madam.

[*English*]

The Vice-Chair (Mr. Don Davies): Thank you, Madame Mourani. That is seven minutes.

Mr. Fadden, with your indulgence, I'm next on questions, and as is the custom of the committee, I'll ask my questions from the chair if that's okay.

Mr. Fadden, I want to start by repeating precisely what you said, by putting your own words to you. You said on national television that "there are several municipal politicians in British Columbia and in at least two provinces there are ministers of the crown who we think are under at least the general influence of a foreign government".

You also said, with reference to cabinet ministers developing associations with foreign countries—and once again I'll quote—“we're now seeing, in a couple of cases, indications that they are in fact shifting their public policies as a reflection of that involvement with that particular country”.

Sir, I would put to you that you've created great consternation and anxiety, unwarranted suspicion, and an unfounded stain on every municipal elected official in British Columbia and indeed every provincial cabinet minister in the country. Do you acknowledge that, sir?

• (1135)

Mr. Richard Fadden: No, sir, I do not.

The reason I do not is that I was making a general statement about foreign interference. As I was saying a moment ago—I think it was in French—if foreign interference is to take place in this country, it has to take place with respect to people who have influence. So it should come as no surprise that it involves people who have political decision-making authority.

The Vice-Chair (Mr. Don Davies): I hear you, sir.

Now, you also said today that there were no threats to the security of Canada. But I'm going to put to you two comments you made publicly. You said, “I'm making this comment because I think it's a real danger that people be totally oblivious to this kind of issue.” And you also said, “it most definitely is a serious problem”.

So I put to you, sir, that Canadians are a little bit confused about whether you think there is a serious problem with respect to politicians being under the influence of foreign governments. Is it serious or not?

Mr. Richard Fadden: I think, Mr. Chairman, that it is serious for any Canadian to be under the influence of a foreign state. And the reason I raised it, and I think the reason I was given leave to raise it, is that it's a concern that's generally shared among the security and intelligence community. It is not something that any state would welcome.

The Vice-Chair (Mr. Don Davies): Well, I think that's true, Mr. Fadden.

Now I'm going to put some pretty specific questions to you, because I believe you've made very serious allegations that have tarred a large number of innocent people, and ethnic communities as well, with suspicion, and I think you have an obligation to clear the air.

Which provinces were you referring to, sir, when you made reference to two cabinet ministers?

Mr. Richard Fadden: That would be an operational matter that I am unable to answer, Mr. Chairman.

The Vice-Chair (Mr. Don Davies): Which municipality, sir, were you referring to when you referred to British Columbia municipal politicians being under the influence of foreign governments?

Mr. Richard Fadden: Again, Mr. Chairman, that is an operational matter on which I cannot comment.

The Vice-Chair (Mr. Don Davies): And who are the individuals you were referring to, Mr. Fadden?

Mr. Richard Fadden: Again, Mr. Chairman, I am unable to comment.

The Vice-Chair (Mr. Don Davies): Mr. Fadden, Mr. Mansbridge put this to you during your interview. He said,

...but the director of CSIS suggesting that there are politicians in this country and now public servants as well, you're suggesting without naming them, will raise a few eyebrows. In fact, ...if I was a provincial cabinet minister, I would say, “Hey, who are you talking about, because you're swiping us all with this.”

And you answered, Mr. Fadden, “Yes, I think that's fair.”

Mr. Fadden, sir, I take it that as the head of CSIS, you do not want to be unfair. That is, there is an expectation that a person in your position would be fair to Canadians. Would you agree with that?

Mr. Richard Fadden: Yes, Mr. Chairman.

The Vice-Chair (Mr. Don Davies): So if you think it's fair that provincial cabinet ministers and municipal politicians are unfairly swiped by being named, why won't you name the people who are truly under suspicion?

Mr. Richard Fadden: I will name them, Mr. Chairman, to the government. Under the general rubric of the CSIS Act, we are required to report to the government, and we will be doing so shortly.

The Vice-Chair (Mr. Don Davies): Okay. Well, let's get to that. A major contradiction that I think Canadians feel concerns these remarks.

You said on national television: “...we just don't keep information to ourselves. In the case of the couple of cabinet ministers we are in the process of discussing with the centre how we're going to inform those provinces.”

Mansbridge: “The centre being?”

Fadden: “Sorry, the Privy Council Office. The Prime Minister's department.”

And regarding your investigation into foreign interference with municipal politicians, you stated:

They haven't really hidden their association but what surprised us is that it's been so extensive over the years and we're now seeing, in a couple of cases, indications that they are in fact shifting their public policies as a reflection of that involvement with that particular country.

Mr. Fadden, this indicates to me that CSIS has been monitoring these individuals for some time now. Would I be correct?

Mr. Richard Fadden: Mr. Chairman, that's a relatively difficult question to answer—not because I don't want to. We start with the “what”, whether or not somebody is under foreign influence—

The Vice-Chair (Mr. Don Davies): With respect, Mr. Fadden, I'm asking a “when” question. When did CSIS start monitoring these individuals, if you're finding that it's been extensive over the years and you're now seeing evidence? I just want to know approximately when you started monitoring these individuals.

Mr. Richard Fadden: I would say a couple of years ago. But again, we're monitoring the threat, not people. It takes a long time, as I said in my remarks, to get a grip on whether or not there's a real threat.

The Vice-Chair (Mr. Don Davies): Then when, sir, did the information first come to your attention that two cabinet ministers and municipal politicians in British Columbia were under the general influence of foreign governments?

Mr. Richard Fadden: I was given a very general briefing in late 2009 in which the service indicated they had concerns. At the time, they had not formed a view as to whether it had met the threshold set out in the act.

The Vice-Chair (Mr. Don Davies): You said that you don't keep that information to yourselves and that you're in the process of discussing it with the Privy Council Office. When did you discuss that with the Privy Council Office, sir?

• (1140)

Mr. Richard Fadden: I think I answered that question in response to a question from Mr. Proulx. I don't remember the exact time, but it was in early 2010.

The Vice-Chair (Mr. Don Davies): So you did inform the Privy Council Office in early 2010 of this information.

Mr. Richard Fadden: I told them exactly what I said earlier. I said I had a couple of cases I was worried about, that it may involve the provinces, and could I have their advice on how we would go about informing the provinces, because it's not something we've had occasion to do previously.

The Vice-Chair (Mr. Don Davies): Who, sir, did you speak to in the Privy Council Office?

Mr. Richard Fadden: The national security adviser.

The Vice-Chair (Mr. Don Davies): When you said the next day, "I have not apprised the Privy Council Office of the cases I mentioned in the interview on CBC" and "...CSIS has not deemed the cases to be of sufficient concern to bring them to the attention of provincial authorities", I take it, sir, that you had not told either the PCO or any provinces about the specific cases you raised on television. Is that what you're saying?

Mr. Richard Fadden: That is correct, Mr. Chairman.

The Vice-Chair (Mr. Don Davies): I just want to talk briefly about the Chinese Canadian community, because you have named China in two of your statements. You've mentioned the Confucius Institutes in most of the campuses across Canada, and you've made references that I think have disturbed the Chinese Canadian community across this country.

I'm going to ask you, sir, do you think it's appropriate to give an apology to the Chinese Canadian community, in particular Chinese Canadian politicians, in this country for suggesting that their loyalties are suspect?

Mr. Richard Fadden: No, Mr. Chairman, I don't. I think in those very rare instances when they might be covered by the preoccupations they have, they are victims. I don't think they are the problem. I think the foreign power is the problem. And the main reason we are operating in this area is to protect Canadians from the foreign power. So I do not think an apology is necessary.

The Vice-Chair (Mr. Don Davies): Thank you, Mr. Fadden. That's my time.

Mr. MacKenzie.

Mr. Dave MacKenzie (Oxford, CPC): Thank you, Mr. Chair. And thank you to the panel for being here today.

Mr. Fadden, I agree that foreign activity in Canada and the rest of the western world is serious, and I agree that Canadians need to be educated about it, but that does not mean it is the job of CSIS to decide to publicize intelligence information.

I cannot find the section of the CSIS Act that gives CSIS a mandate to launch a public relations campaign to promote its intelligence findings. Can you point me to something in the act?

Mr. Richard Fadden: Mr. Chairman, let me repeat. The circumstance in which all of this became public is one that I regret. I was talking, as I said, to an intelligence, police, and military audience under the Chatham House rule, and I lost track of the fact that this was being broadcast as part of an agreement we had with the CBC. So I start from the premise that this is not a desirable outcome. I think I've said that three or four times, Mr. Chairman. I do not think it is a desirable outcome.

There is no specific provision in the act that says we are authorized to operate a public relations campaign. But I would draw your attention to the fact that this is contained in no departmental or service act. It's simply part of a general undertaking we have. I would also note that we've undertaken this attempt to try to bring these matters to the attention of the public with the agreement both of my minister and of the centre.

Mr. Dave MacKenzie: Do you think it is CSIS's prerogative to decide what intelligence is supposed to be shared with the public?

Mr. Richard Fadden: In general terms, I think it's fair. We are required to issue an annual report. We have a website, and we try to put in here what we think we can.

We are always operating under the constraint of not being able to discuss operational detail. I appreciate that's frustrating, but there's not much we can do about it. So, generally speaking, I think when we're informing Canadians in one shape, form, or another about the problems and the threats in particular—in this case it's the threat of a foreign power unlawfully and unhelpfully influencing a Canadian—I think that's fair. Details are not fair.

Mr. Dave MacKenzie: I draw your attention to section 19 of the CSIS Act. This section restricts disclosure of "Information obtained in the performance of the duties and functions of the Service under this Act". How does that section square with your comments about the provincial cabinet ministers?

Mr. Richard Fadden: Let me just have a quick look at the act. I'm sorry, I didn't know you were going to quote from it.

Mr. Dave MacKenzie: I'm sorry. It does go on and it says "shall not be disclosed by the Service except in accordance with this section".

Mr. Richard Fadden: I think there is also a section in there that says the minister can either directly or using the service as an agent reveal information that is acquired.

I also believe the thrust of section 19 is not to deal with general threat or general analysis, but more specifically with operational details.

• (1145)

Mr. Dave MacKenzie: We have a group of photographs that were posted by the Royal Canadian Military Institute, if someone could please show those to Mr. Fadden.

Would you agree, from these photos, that the cameraman was obviously filming the entire event and not just your speech? They posted a lot of photos on their website. The cameraman was fairly busy.

Mr. Richard Fadden: Absolutely. I do not in the slightest deny that they were there before the speech or that they were there during the speech. My only point is I simply lost track of that during the course of my remarks.

Mr. Dave MacKenzie: When you look at those photos.... I think you have described the event as an audience of police, intelligence, and military experts. Is that right, when you look at those photographs?

Mr. Richard Fadden: I don't really know who was there. There were certainly some military people and there was a variety of others whom I can't identify, to be honest. But there were police there, there were a few intelligence people, and there were clearly, as the uniforms show, some military personnel.

Mr. Dave MacKenzie: And perhaps members of the public?

Mr. Richard Fadden: I understand not.

Mr. Dave MacKenzie: Okay.

We also have another group of photographs taken again from the military institute's website. If you would just take a look at them, I think it's fairly obvious, but I don't think it's limited to police, intelligence, and military experts.

The Vice-Chair (Mr. Don Davies): Excuse me, Mr. MacKenzie, there's a point of order.

Mr. Marcel Proulx: Can we also have access to these photographs, after Mr. Fadden?

An hon. member: They're right off the military institute's website.

The Vice-Chair (Mr. Don Davies): I was going to suggest, if we could have a break at a suitable time, we will get copies made for all members.

Mr. Richard Fadden: My point, Mr. Chairman, is that I was invited to the RCMI to give a speech. I was told it was members of the RCMI and guests invited for police appreciation night.

Mr. Dave MacKenzie: But when you look at those, I think you would agree that the audience in fact was a cross-section of the community at large.

Mr. Richard Fadden: No, I do not.

Mr. Dave MacKenzie: Okay.

Mr. Richard Fadden: It's unclear to me how by looking at a person who's not in uniform you could deduce that person isn't a policeman or an intelligence officer.

Mr. Dave MacKenzie: But equally you couldn't assume they are.

Mr. Richard Fadden: Except that when we asked the RCMI, they indicated it was their membership and invited police.

Mr. Dave MacKenzie: So in this case, at this black-tie reception, you decided to share the information, but for the next three months, you didn't notify any of the provincial governments you were speaking about there?

Mr. Richard Fadden: No.

Mr. Dave MacKenzie: Okay.

Mr. Richard Fadden: Again that was because we were still working on our file. I was trying to give that audience a sense of granularity, which I don't think they understood I was doing.

Mr. Dave MacKenzie: Do you know who was at that black-tie event? Were you provided a list of attendees?

Mr. Richard Fadden: To be honest, I do not remember.

Mr. Dave MacKenzie: Do you know if the people in attendance had security clearances?

Mr. Richard Fadden: No, I assumed they did not have security clearances. As I said earlier in my comments, nothing I said violated national security, and nothing I said would require a security clearance. Just about everything I said, with the exception of those specific examples you are referring to, which I again say I regret making, was in the public domain, and had been put there by either the service or me or my predecessor. So there was no need for security clearances.

The Vice-Chair (Mr. Don Davies): Okay, thank you. That's your time, Mr. MacKenzie. I gave you extra time for the point of order.

Mr. Kania.

Mr. Andrew Kania (Brampton West, Lib.): Thank you, Mr. Chair.

Sir, first I just want to establish the timeline. It was on March 24, 2010, that you had this dinner and you gave your speech. Is that correct?

Mr. Richard Fadden: It was on March 26.

Mr. Andrew Kania: Thank you.

The interview with Mr. Mansbridge was June 22, 2010.

• (1150)

Mr. Richard Fadden: I did two with Mr. Mansbridge: June 21 and June 22.

Mr. Andrew Kania: Now, before June 26, before you made those comments, were those specific comments reviewed and approved by anybody in the PMO, PCO, or by the minister, the national security adviser, or anybody at all?

Mr. Richard Fadden: No.

Mr. Andrew Kania: So between March 26, 2010, and June 22, 2010, after you had made those comments, which obviously were known about, did anybody in the PMO or PCO, or the national security adviser or the minister contact you and ask for details of the concerns you had between March 26 and your June 21 and June 22 interviews?

Mr. Richard Fadden: No, because I do not think they were aware of them.

As I said earlier, the RCMI speech was meant to be given under the traditional Chatham House rule, but that of course varied because the CBC was there. My understanding was that the CBC did not make any of this public. So none of the individuals you listed would have been aware.

Mr. Andrew Kania: Fine.

You've had a distinguished career. A compliment given to you by Jaime Pitfield, the current deputy minister, was that you are not afraid to call it like you see it. He said you're a very serious person, a very ethical guy, extremely professional; you take responsibility seriously; you do the right thing, and, you're tough but you're fair. These are all good things about you. That's actually part of the concern, because you do indicate in a forthright manner that you are concerned that a couple of cabinet ministers—and you refer to municipal officials as well—might be under influence.

In the interview, you referred specifically to contacting and discussing with the centre how you were going to inform the provinces. Then you quite specifically defined the centre as the Privy Council Office, the Prime Minister's department, and said you were trying to get a sense of how you would best let them know the problem.... The chair already read through all of that.

But this is my question. During the interview, you justified having said this. I know you retracted part of this the next day, but you justified it and you said: "I'm making this comment because I think it's a real danger that people be totally oblivious to this kind of issue."

So as the director of CSIS, you've had a fine career, and you actually said on national television that you think this is a real danger and people should be concerned about this. I'm not saying you are right or wrong. I don't have the information you have. I'm listening to what you're saying, and what I'm wondering is under these circumstances of the real danger, which you said on June 21 and 22 exists, has the Privy Council Office or the Prime Minister's Office or the Prime Minister or the minister or the national security adviser called you in or contacted you and said anything to the effect that you said on national television that we have a real danger here in Canada and they want to know what you're talking about? Have they said they treat this seriously, and this might be a problem, and on behalf of Canadians, they'd like you to tell them what you're talking about and whether we need to be doing anything to protect Canadians? Have they done that since this interview?

Mr. Richard Fadden: I've had general discussions with my minister and with the Privy Council Office about this. I indicated that the concerns that I expressed and that had been reported remained, in our view, potentially very serious. I said that we were continuing our analysis and that we would be moving the files forward very shortly.

Mr. Andrew Kania: Mr. Fadden, that wasn't my question. My question defined all of these people—the Prime Minister, the Prime Minister's Office, the Privy Council Office, the national security adviser, and Minister Toews—and asked if any of them had contacted you after your interviews and asked you to come in or speak with them and provide the information and a full explanation of what these real dangers are. Have they done their jobs and asked you to provide that information?

Mr. Richard Fadden: I think it's difficult to parse whether I gave them the information because it was attracting publicity or whether they asked me. But I want to be very clear that I have had a conversation with my minister and with the Privy Council Office about these cases. I've indicated that these cases remain a concern and that they would be provided with a brief very shortly.

Mr. Andrew Kania: Once again, with the greatest respect, that's not my question. My question was, since these interviews on June 21 and June 22, have any of those entities, and I'll repeat them—the Prime Minister's office, the Prime Minister, the Privy Council Office, the national security adviser, Minister Toews, or anybody on their behalf—contacted you and said, "What are these real dangers? We want a report. We want you to tell us what they are so we can do our jobs to protect Canadians"? Have they contacted you since your interviews?

Mr. Richard Fadden: No, because I contacted them first.

Mr. Andrew Kania: Okay. When did you contact them, who did you contact, and what did you say to them?

Mr. Richard Fadden: It was the minister, Mr. Toews, and the national security adviser.

Mr. Andrew Kania: When did you contact both individuals, and what did you advise them?

• (1155)

Mr. Richard Fadden: I don't remember the exact date. It was very shortly after the interviews, I'd say a day or two.

Mr. Andrew Kania: Okay. What did you tell them, and have you put anything whatsoever in writing to any of these individuals?

Mr. Richard Fadden: No.

Mr. Andrew Kania: What did you advise them?

Mr. Richard Fadden: I told them, as I said a moment ago, that we had a couple of cases that I had discussed and that were worrisome, that we had almost completed our analysis, and that we would be briefing them formally very shortly.

Mr. Andrew Kania: Did this contact take place before or after you issued your retraction after the interview with Mr. Mansbridge?

Mr. Richard Fadden: Mr. Chairman, I'm not sure I issued a retraction. To my mind, I was explaining exactly what had happened. When I spoke to Mr. Mansbridge, I was thinking of a conversation I had had with the national security adviser, and that's why I said I had spoken to someone.

Mr. Andrew Kania: Call it what you wish, whether it's a retraction or a clarification, whatever you want to call it, did this contact take place with the minister and the national security adviser before or after you issued that statement?

Mr. Richard Fadden: I believe it was after.

Mr. Andrew Kania: You say that you believe. Are you sure?

Mr. Richard Fadden: No, or I would have said so.

Mr. Andrew Kania: Okay, thank you very much.

And can you provide the details of what you spoke of with these individuals—the minister and the national security adviser?

Mr. Richard Fadden: No, I may not.

Mr. Andrew Kania: You mean you won't.

Mr. Richard Fadden: Mr. Chairman, there's a long-standing tradition acceptable to all committees of the House that discussions between officials and ministers are confidential.

Mr. Andrew Kania: That's fine. So what you're saying is that you won't. I understand.

Now, in terms of additional information, with regard to the individuals you have commented upon—the cabinet ministers and the municipal officials—if you read through the various newspaper articles, e-mails, and stories, everybody is saying that if you have serious credible information—and once again, in this committee we don't know what it is—we should be made aware of it; somebody should be doing something about it; and we should also be in essence clearing the persons you're not referring to.

So I'm going to ask you to provide the names of the individuals you are referring to—the cabinet ministers, the municipal officials—and the information, the cause of concerns. Because once again, you said here, “real danger”, so when you use that phraseology you should be referring to the individual and saying what the concerns are. That's also a method to make sure the other people are not categorized in a way that isn't fair to them.

Mr. Richard Fadden: Mr. Chairman, as I am sure you are aware, I am unable to do this. These are operational details. The law requires me to report to the government. I will be doing so very shortly. My understanding is that we will have a discussion, and it will be decided what the next steps will be.

Mr. Andrew Kania: Do I have any time?

The Vice-Chair (Mr. Don Davies): Sorry, that's time.

Ms. Block.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair.

Good morning, and welcome, Mr. Fadden, Mr. Dunn, and Mr. Ellis.

Mr. Fadden, in earlier testimony today you stated that you knew your speech was being taped but that as the Q and As went on you lost the sense that the cameras were still rolling. So whether or not the cameras were still rolling, I'm wondering if you could please tell us why it's appropriate for you as the director of CSIS to tell an audience at a black-tie event information that pertains to your job before you've informed the chain of command as appropriate.

Mr. Richard Fadden: Well, as I have indicated on a couple of occasions already, clearly that was not the thing to do, and I regret it. I would not do so again. But I think the important part of all of this is to realize that I really didn't think I was giving away any state secrets, because I was not. Foreign interference is a problem here that we've known about for a long time. And if foreign interference is going to be exercised on the Canadian political system, it has to be exercised by people who play in the political system. I was adding a level of detail that I should not have.

Mrs. Kelly Block: Do you also know that the military institute has posted an audio file of your remarks on its website?

Mr. Richard Fadden: I do.

Mrs. Kelly Block: Okay.

I want to draw your attention to certain things said during the June 22 CBC broadcast. They may have been mentioned already, but I will repeat them.

Peter Mansbridge began by saying, “Well, the interview itself is unprecedented...”. He also said, speaking of your comments, “It all came out during the extraordinary access CSIS gave to our former senior correspondent, Brian Stewart.” Brian Stewart called it an exclusive interview, and later in the same broadcast Peter Mansbridge said, “Richard Fadden first made similar remarks in a recent speech, which we had exclusive access to.”

Did the CBC approach CSIS, or did CSIS approach the CBC?

Mr. Richard Fadden: My understanding is that the CBC approached the service many months ago, well before I was director, with a view to producing a special on the 25th anniversary of CSIS. I understand that was discussed at length within the government at the time, and that approval in principle was given. After I was appointed director, the matter came up again, and I can't remember if it was we who raised it with them, or they with us. We thought it would be a useful thing to do—to have the 25th anniversary program—but the initial idea came from the CBC.

• (1200)

Mrs. Kelly Block: So it was for the 25th anniversary program.

Do you think it is helpful for CSIS to be giving unprecedented, extraordinary, exclusive media briefings about the specific intelligence it collects?

Mr. Richard Fadden: Absolutely not.

Mrs. Kelly Block: Okay.

Did anyone from CSIS provide classified information to the CBC or any other media organization?

Mr. Richard Fadden: Absolutely not.

Mrs. Kelly Block: Did you or anyone from CSIS provide information to the CBC or any other media on an off-the-record or on-background basis?

Mr. Richard Fadden: I certainly did not, either in my interviews or my discussions with Mr. Mansbridge or Mr. Stewart. The access we provided to CSIS was quite organized and structured, because we didn't want to risk giving away any operational information. So I would have to say no, I do not believe that we did.

Mrs. Kelly Block: Okay. Could you find out for us? Could you check and then bring that information back to us?

Mr. Richard Fadden: Yes.

Mrs. Kelly Block: Okay, thanks. That's good.

Do I still have time?

The Vice-Chair (Mr. Don Davies): You have one minute.

Mrs. Kelly Block: Undoubtedly, sir, you have been following the recent news from the U.S. regarding the case of alleged Russian spies—and I say "alleged", although I have read that some have actually confessed. According to papers filed in the U.S. district court, the job of these agents was to search and develop ties in policy-making circles in the United States.

Let me read briefly from a recent story that ran in *The Vancouver Sun* on June 29.

The Vice-Chair (Mr. Don Davies): You have ten seconds, Ms. Block.

Mrs. Kelly Block: Okay.

The FBI has broken up a Russian spy ring, some of whose members were posing as Canadian citizens, the Department of Justice announced Monday.

I'll come back.

The Vice-Chair (Mr. Don Davies): Thank you.

Madame Mourani, go ahead for five minutes.

[*Translation*]

Mrs. Maria Mourani: Thank you, Mr. Chair.

Mr. Fadden, I want to remind you that you are under oath.

I will not ask you for the names, but I would like to know the provinces involved in the two cases.

Mr. Richard Fadden: I cannot answer that, Mr. Chair.

Mrs. Maria Mourani: Why not?

Mr. Richard Fadden: Those are operational details that I have not yet shared with the government. It would be inappropriate to discuss them in public.

Mrs. Maria Mourani: Yet you took the liberty of sharing with the CBC the fact that British Columbia was involved and that municipal officials were allegedly being influenced.

Mr. Richard Fadden: Mr. Chair, I believe I have repeated about 10 times that I regret doing what I did. I will say it again for Ms. Mourani's benefit.

Mrs. Maria Mourani: Is Quebec one of the provinces concerned?

Mr. Richard Fadden: I cannot answer that, Mr. Chair.

Mrs. Maria Mourani: Are officials in Quebec involved, as are those in British Columbia?

Mr. Richard Fadden: I cannot answer that, Mr. Chair.

Mrs. Maria Mourani: Are all the ministers referred to from different ethnic backgrounds, or are they French Canadians or English Canadians of British or Irish descent? What are their backgrounds?

Mr. Richard Fadden: I cannot answer that, Mr. Chair, because those are operational details that I cannot share with the committee.

Mrs. Maria Mourani: Earlier you said there were two cases in which you had almost completed your analysis, unless I am mistaken.

Mr. Richard Fadden: Yes, madam.

Mrs. Maria Mourani: When your analyses are almost complete, you report to the minister. The investigation is therefore over.

Did you place these people under electronic surveillance? Were their cell phone or Internet communications intercepted, as is the case with regular investigations?

Mr. Richard Fadden: Mr. Chair, we have finished gathering information. I cannot comment on how that information was collected.

● (1205)

Mrs. Maria Mourani: Forgive me, but I am not asking you to give away any state secrets. I am simply asking whether you filed any warrant applications with the Federal Court in order to investigate these people.

Mr. Richard Fadden: Mr. Chair, all of our applications to the Federal Court are classified, and I cannot discuss them with the committee.

Mrs. Maria Mourani: Mr. Fadden, as soon as your report has been completed, if we find out that you filed applications with the Federal Court, that would mean you made specific requests to the minister to file an application with the Federal Court, which would also mean that the cases in question were already known to the minister, and that you are lying to us right now. Like you, I am just speculating. I am also good at analyzing things.

Mr. Richard Fadden: I can assure you, Mr. Chair, that I would not lie to the committee, whether I was under oath or not.

Mrs. Maria Mourani: Very good. We will read your report then, and we will see whether the individuals in question were the subject of a warrant. If so, the minister knew about it.

I have more questions. Do I still have some time, Mr. Chair?

The Vice-Chair (Mr. Don Davies): Two minutes.

Mrs. Maria Mourani: Mr. Fadden, I am quite surprised that someone as level-headed as you, someone who is very familiar with government machinery—you keep talking about the rules you have to follow—would make comments at an event where the drinks were flowing.

Tell me something: did you give your speech before or after the wine was served?

Mr. Richard Fadden: I gave my speech after dinner, during which I did not have any wine.

Mrs. Maria Mourani: Very well, you are safe on that point, at least.

You said it was simply due to a lack of attention on your part that this information was made public. But I have to tell you, Mr. Fadden, I find it hard to believe that a man such as yourself could have neglected his responsibilities.

Mr. Richard Fadden: Mr. Chair, I do not think that I neglected my responsibilities. As I said, I regret that I gave details. There was no threat to national security, and no one was identified. It was really a lack of attention on my part. I started answering questions. I am not as experienced as you with that sort of thing. I simply did not pay enough attention, but I never breached national security. I did not say anything that would have put me at risk of violating information security legislation.

Mrs. Maria Mourani: But during a speech you gave in October, you referred to NGOs and the media. The way I see it, you stepped outside the lines that were supposed to have already been approved.

[English]

The Vice-Chair (Mr. Don Davies): Madame Mourani, you're over time. Could you please ask your question?

[Translation]

Mrs. Maria Mourani: Yes.

On October 29, 2009, at the Canadian Association for Security and Intelligence Studies annual conference, you made similar remarks. You referred to NGOs and the media as being soft on terrorist groups. Lines had been established, and you went outside those lines. From what I was able to hear of the CBC interview, the situation was the same. So I find it very hard to believe that you did not pay enough attention when you were speaking.

[English]

The Vice-Chair (Mr. Don Davies): Madame Mourani, you must ask your question. You're over time.

Mrs. Maria Mourani: Okay, sorry.

[Translation]

The Vice-Chair (Mr. Don Davies): Mr. Fadden—

Mrs. Maria Mourani: Mr. Chair, I just want to know this: are you going to step down, Mr. Fadden? Because I no longer think you belong in your position.

Mr. Richard Fadden: I disagree. I have no reason to step down. I mentioned a detail that in no way violates the law. As I have repeatedly said, I regret what I did. No, I will not be stepping down.

Mrs. Maria Mourani: If the Prime Minister does not ask you to step down—

[English]

The Vice-Chair (Mr. Don Davies): Madame Mourani, you are way over time.

Mr. MacKenzie and Mr. Calandra I understand are going to share the next five minutes.

Mr. Dave MacKenzie: Thank you, Chair.

Mr. Fadden, I think earlier you said the minister did not know you would be releasing this information on the two cabinet ministers from the two provinces. By releasing that information to the military institute, did you contravene section 19 of the act?

Mr. Richard Fadden: I don't think so, because the information we were talking about is very general in nature. Had I mentioned names, had I mentioned specific details, then I believe I would have put myself at risk of violating the act.

Quite honestly, Mr. Chairman, if you look at our website, if you look at our annual reports, if you look at a variety of things that both I and other officers of the service have done over the years, this is not quite as extraordinary as everybody is making it out to be. I understand that it was an unfortunate specificity on my part, but this is not quite as extraordinary as it's being made out to be.

●(1210)

Mr. Dave MacKenzie: Just so I understand, for clarification, the difference is that it was a general statement, as opposed to naming, and for that reason—

Mr. Richard Fadden: Broadly speaking, yes, Mr. Chairman.

Mr. Dave MacKenzie: —you would see that as section 19 not being applicable in that regard—

Mr. Richard Fadden: Yes, Mr. Chairman.

Mr. Dave MacKenzie: —and subsection (3) not being applicable under—

Mr. Richard Fadden: You're quoting the act again, and I don't—

Mr. Dave MacKenzie: —section 19. Subsection (3) says:

(3) The Director shall, as soon as practicable after a disclosure referred to in paragraph (2)(d) is made, submit a report to the Review Committee with respect to the disclosure.

Mr. Richard Fadden: In my view, it does not apply.

Mr. Dave MacKenzie: Because we're not talking about specific individuals?

Mr. Richard Fadden: Yes.

Mr. Dave MacKenzie: Mr. Calandra.

Mr. Richard Fadden: Put differently, it was not a disclosure.

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Thank you, Director Fadden, for being here.

Of course we know that espionage is not new and that Canada is certainly not immune to it.

I'd like to go back and quote from the 1994 CSIS annual report. I can imagine you don't have it in front of you, but I'll quote:

A number of characteristics have emerged in this fragmented and destabilized global security intelligence environment. Apart from giving shape to the post Cold War era, these trends call for flexibility and adaptation by the agencies charged with ensuring the security of Western nations. Among those trends are the following:

Numerous countries maintain intelligence services that operate outside their own borders; many are currently active against Canadian interests in Canada or abroad.

With a shift from military to economic objectives, countries continue to use covert means to steal Canadian information and technology to enhance their economic advancement.

That was from the 1994 CSIS annual report.

I'd like to also quote from the 1997 CSIS annual report:

Among the threats to the security of Canada identified in the CSIS Act are "foreign influenced activities within or related to Canada that are detrimental to the interests of Canada and are clandestine or deceptive or involve a threat to any person." Such activities are exacerbated when representatives of foreign governments attempt to influence, persuade, coerce or threaten former citizens now resident in Canada, and are made worse when two or more countries are competing for the loyalty of the same ethnic community in Canada. Foreign influenced activities are a violation of Canadian sovereignty and a threat to its citizens, and the Service works through the courts to protect Canadians from such activities.

So the threat of foreign influence is addressed in the CSIS Act itself. One can only conclude that if foreign influence was included in the original CSIS Act, it has been recognized as a serious concern for some time.

I believe you mentioned that CSIS has been reporting on the threats basically since its inception. Can you tell us how the threat of undue foreign influence has actually evolved over the years?

Mr. Richard Fadden: Like its close colleague espionage, I think it's the sort of thing that varies a great deal over the years. It's quite fluid. It depends in large measure what's happening around the world as well as in Canada.

To give an example that is in the public domain and that's been talked about a great deal, when there was a civil war in Sri Lanka we had real concerns in this country about LTTE and what they were doing or not doing. So for a brief period there was an upswing in activity concerning foreign interference. Over the years it has gone up and down, depending upon particular circumstances. I think today it's probably more than it was 10 or 15 years ago, but it's very hard to put a precise statistic to it. But we have had examples of this, as you said, virtually since the service was created.

Mr. Paul Calandra: Do I have more time, Mr. Chair?

The Vice-Chair (Mr. Don Davies): I'm sorry, you're out of time.

Monsieur Proulx.

[*Translation*]

Mr. Marcel Proulx: Thank you, Mr. Chair.

[*English*]

Mr. Fadden, you were saying that you would be briefing government very shortly. In your vocabulary, "very shortly" means what?

Mr. Richard Fadden: I would say a matter of weeks, not months.

• (1215)

Mr. Marcel Proulx: You're saying weeks—

Mr. Richard Fadden: Yes, sir.

Mr. Marcel Proulx: —not months, so therefore, a maximum of four weeks.

Mr. Richard Fadden: Yes, sir.

Mr. Marcel Proulx: Thank you.

You said a little while ago that you had asked the national security adviser for advice on how to treat the subject with provinces. Did you get any answers yet, sir?

Mr. Richard Fadden: Thank you.

I have a preliminary answer. The national security adviser asked the Ministry of Public Safety to look into this as well. Some work has been done. It's an area in which there's actually a fair bit of activity, because the provinces are more and more involved in material that we do, both in terms of security clearances and in sharing of threats and what not. So there had been some work done on this that I wasn't really aware of, but I understand they've almost completed their work, as well.

[*Translation*]

Mr. Marcel Proulx: Mr. Fadden, did you discuss your testimony here today with anyone in the Prime Minister's Office, the Privy Council Office, the department or the minister's office?

Mr. Richard Fadden: Today, yes, absolutely, Mr. Chair. I discussed it with my minister's office, with the Privy Council Office and, of course, with my colleagues at the service.

Mr. Marcel Proulx: And what did those officials tell you not to say to the committee, this morning?

Some hon. members: Oh, oh!

Mr. Richard Fadden: I would not say they expressed their points of view quite that way. In fact, I was never told not to say certain things or anything like that. We just talked about the setting in which I made my statements, they reviewed the remarks I had submitted for their comments, and the discussion was more general in nature.

Mr. Marcel Proulx: They did not advise you not to say certain things. Did they urge you to play up other subjects?

Mr. Richard Fadden: Generally speaking, no, Mr. Chair.

Mr. Marcel Proulx: Fine.

Mr. Richard Fadden: Our discussions began with the remarks you heard earlier this morning, and we discussed the matter of emphasis here and there rather than a specific issue.

Mr. Marcel Proulx: Mr. Fadden, do you feel comfortable telling us the names of the countries to which you referred in your speech or your interview?

Mr. Richard Fadden: No, Mr. Chair, and not just because it involves national security, but also because it involves international relations.

Mr. Marcel Proulx: Fine.

The Premier of Ontario, Mr. McGuinty, and the Premier of British Columbia, Mr. Campbell, have asked that you provide more information in order to ease people's concerns.

Have you spoken with Mr. McGuinty or Mr. Campbell since your interview?

Mr. Richard Fadden: No, Mr. Chair. As I said, we did not speak with anyone, except for the two authorities I mentioned, and we want to complete our analysis and report to the government.

Mr. Marcel Proulx: In less than four weeks, okay.

You said that the individuals had been under surveillance by the service. You may have already answered this question, but are they still under surveillance? Are you continuing with your monitoring method, if you will?

Mr. Richard Fadden: I believe I mentioned earlier that the process of gathering information is complete. So we are at the analysis phase.

[*English*]

Mr. Marcel Proulx: Mr. Fadden, very little attention was paid to your level of alarm concerning cyber espionage. To your knowledge, how prepared is the Government of Canada to protect national security secrets and even the personal information of Canadians from cyber espionage?

Mr. Richard Fadden: I think it's a growing concern, and Canada's capacity to deal with this issue is growing. We don't have the lead on this, as you probably know, Mr. Chairman, but there has been reference to these matters in recent governmental statements. I think it is truthful to say that we are certainly as well prepared as we can be in a technological world where the assaults change virtually daily.

Mr. Marcel Proulx: In your interview you stated, and I quote, "... what I really worry about is, is there a terrorist cell somewhere in Canada that we don't know about?"

Given your level of concern, Mr. Fadden, how concerned should Canadians be that they might be living next door to an unknown terrorist cell?

Mr. Richard Fadden: That's a very difficult question to answer, Mr. Chairman, because you don't know what you don't know.

We have had very clear evidence in this country that there have been terrorists seeking to do harm. The Toronto 18 are a clear example. We're monitoring a number of other cases in which we think there may be similar circumstances.

Do I think that everybody needs to go to their basement with an 18-day supply of food? Absolutely not. My point in raising this was simply to say that Canadians will need to know this. I think if Canadians know about this kind of threat they will be inclined to let us know if they find anything that's worrisome.

•(1220)

The Vice-Chair (Mr. Don Davies): Thank you.

Mr. Uppal, you have five minutes.

Mr. Tim Uppal (Edmonton—Sherwood Park, CPC): Thank you.

Thank you, Mr. Fadden, for coming here today.

It wasn't long ago that you were before this committee. It was on May 11, in fact. The Honourable Gary Filmon, chair of the Security Intelligence Review Committee, also testified that day. And if you will indulge me for a minute, for the benefit of those watching today who did not see the testimony that day—and I'm sure you don't have it in front of you—I would like to quote Mr. Filmon:

Let me say first that having served on SIRC for nearly nine years, during which time I have been in regular contact with many organizations with similar mandates, I'm confident that Canada's model is, and is recognized to be, one of the strongest review functions in the world. This is not to say that changes and improvements are not possible, but simply that we have in SIRC an effective tool for helping to ensure the accountability of Canada's security intelligence agency, CSIS.

As I'm sure you are aware, SIRC came into being at the same time that Canada created CSIS, its civilian security intelligence service. With the passage of the CSIS Act in 1984, Canada became one of the first democratic governments in the world to establish a detailed legal framework for the operation of its security service. It is equally significant that the CSIS Act created a framework to make CSIS accountable in exercising its powers...

Specifically, the CSIS Act defines the mandate and limits of state power to conduct security intelligence. It also spells out how the service's work is to be monitored through a rigorous system of political and judicial controls, including two review bodies, each with a distinct mandate, to watch over the new agency.

I draw your attention to this because it's important to appreciate the context in which CSIS operates.

That same day you testified,

The central duties and functions of CSIS are defined in section 12 of the act. We are to "collect...analyse and retain information and intelligence respecting activities" that could reasonably be suspected of being security threats to Canada. We call this security intelligence. We are then to "report to and advise the Government" on that intelligence.

Based on those general powers, CSIS collects intelligence on a variety of specific threats to Canadian security, defined broadly in our act and refined by directives from cabinet and the Minister of Public Safety. These include terrorism, espionage, and foreign-influenced activities.

I think we can all accept that the people of CSIS are dedicated to the protection of Canada's national interests and the safety of all Canadians.

Director, my question is this: with that level of monitoring by outside actors, why would you feel it is necessary to speak about something as sensitive as foreign influence? What's to be gained?

Mr. Richard Fadden: I think it is necessary, because despite that very comprehensive system of oversight and review, there is not a lot of discussion in Canada about espionage or terrorism or foreign influence. It's not, in fact, the duty of the Inspector General or of the SIRC to report on these things publicly. Their main job is to ensure that we comply with the law and ministerial direction. Public reports are issued, but they're pretty general.

So our view—and I want to stress that it's our view, not just my view, and that it has been the view of the service for some time now—is that there is a benefit to Canadians understanding that we are not for some reason protected from attempts at espionage, foreign influence, or terrorism. I say that partially because we think this is a democracy and people have a right to know.

Having said that, I want to be very clear that this is a matter we've discussed quite broadly, and it's shared among the security and intelligence community. We also think that if people know of these threats and any of these come to the attention of particular individuals, they may help us out by telling us about them or by going to the police.

Mr. Tim Uppal: Okay.

And what do you feel is the best way to communicate these threats or concerns to the Canadian public?

Mr. Richard Fadden: I think through a variety of means.

As I said to one of your colleagues a few minutes ago, Mr. Chairman, one of the difficulties we have is that we can't talk about operational details. We try, in our annual report, to give a bit of a sense of this. I think the annual report of the SIRC does the same thing.

I don't think these have been particularly effective in drawing attention to these issues, so it was decided that we would try making a few public speeches. My predecessors have quite regularly spoken both to this committee and the opposite committee in the Senate, and to academic institutions. My speech to the RCMI and to CASIS was in that vein, to try to, in a general way, raise concerns we thought people should be aware of.

• (1225)

The Vice-Chair (Mr. Don Davies): Thank you.

Mr. Kania, for five minutes.

Mr. Andrew Kania: Thank you, Mr. Chair.

Sir, when I was asking you questions before, you indicated that you were interviewed June 21 and June 22 by Mr. Mansbridge, and then you issued a clarification, or call it what you will, I think it was the next day. You also spoke, after the interviews, as you indicated already, with the national security adviser and the minister, and you indicated to me that you could not remember whether you spoke with them before or after you issued your clarification. So I'm going to ask you to go back and to search what you need to search—your records, telephone records, whatever it may be—to determine whether you spoke with one or both of these individuals before you issued your clarification about your CBC comments, and also to advise us, to the best of your ability, as to what the conversations were; in particular, whether they asked you to issue something, and if so, if they suggested what that might be, with as much detail as possible, please.

You were just nodding. I take it that's a yes?

Mr. Richard Fadden: I beg your pardon. Yes.

Mr. Andrew Kania: Thank you.

In terms of these concerns, you gave the initial speech in March, right? When did these concerns become formed, though—how much before March? And when did you actually start surveilling the cabinet ministers or municipal officials in relation to your speech?

Once again, you've said "real danger", and I'm taking you at your word. So I'm asking you, when did this "real danger" get formed in your mind, and how much before this March interview did this happen?

Mr. Richard Fadden: As I think I answered in a previous question, I was made aware of these two cases in a general way near the end of 2009. The service had been working on these for some time; I don't know quite how long. As I said earlier, I was sufficiently concerned about the matter that I raised them with the national security adviser in early 2010, although largely with the view of finding out what protocol would apply should it be decided that we needed to contact anyone outside of the federal government.

Mr. Andrew Kania: Okay, so you indicated before that you raised this in the spring of 2010 with the national security adviser, and I assume that you said something. Without details of the cases, I assume you said something to the effect that you had a concern, a real concern, correct?

Mr. Richard Fadden: I don't remember the words, but something along those lines.

Mr. Andrew Kania: That's the idea.

Mr. Richard Fadden: Yes.

Mr. Andrew Kania: What did the national security adviser then do, between when you had this conversation in the early spring of 2010 to when you gave your speech in March and then you had your interviews in June, to the present? Give me the timeline. Do you know whether the national security adviser spoke with the PCO, the PMO, the minister, in around the spring of 2010 onwards?

Mr. Richard Fadden: My understanding is she did not, although just to be clear, she is of the PCO—

Mr. Andrew Kania: That's fine.

Mr. Richard Fadden:—so that's a different issue. I do not think she did, because I did not provide enough detail to warrant, I think, informing either the minister or anyone else. I gave her the sense that these were a couple of files the service had been looking at for some time. There was no immediate threat to national security. Nobody was going to blow up something, or anything of that nature. I indicated that we were finishing our analysis and our inquiries, and we would be getting back to her.

Mr. Andrew Kania: Let's say that you believed there was an imminent threat. Would you call the minister?

Mr. Richard Fadden: It would depend on the nature of the threat. If the threat were immediate, I would call one of the first responders. I would call the police.

Mr. Andrew Kania: Okay. What circumstances would be involved for you to call the minister, to advise the minister directly of this grave concern, this real danger, as you phrase it?

Mr. Richard Fadden: I think it's very difficult to answer that question. I think in the first instance we would consult inter-departmentally. You can do that by phone. You can do it very, very quickly.

If I thought that... And I cannot imagine this happening; it's just not practical. If we thought that, because of foreign influence, a decision by somebody in Canada was going to be skewed because of this foreign influence, and it was a significant decision, I can imagine calling the minister.

• (1230)

Mr. Andrew Kania: So you have this concern—a real danger—at some point in time in the spring of 2010, and you express it to the national security adviser.

Have you met with the minister at any point since the spring of 2010, either at your suggestion or at the minister's suggestion, to advise the minister of any of these concerns?

Mr. Richard Fadden: No, again, because I did not think they merited ministerial attention. They had not reached that point. And they did not appear to us to be critical in the sense of immediate harm likely to take place.

The Vice-Chair (Mr. Don Davies): I'm sorry, your time is up.

Monsieur Laframboise.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Thank you, Mr. Chair.

Mr. Fadden, in the few minutes I have, I will try to show you why you are no longer the right man for the job.

It started back in 2009. And you say in the document we have in front of us that it was simply due to a lack of attention on your part that the information in question was made public.

Is that true? Is that what you said?

Mr. Richard Fadden: Yes, Mr. Chair.

Mr. Mario Laframboise: By public, do you mean the media?

Mr. Richard Fadden: Through the media.

Mr. Mario Laframboise: Regardless, you knew you were making a statement in front of a hundred or so people who did not have their security clearance. So given that you said what you did in front of a group of people when you were not certain that doing so was highly secure, right there, tells me that you talk too much.

Would you agree that you talk too much?

Mr. Richard Fadden: No, Mr. Chair.

Can I explain why? Because the remarks I made to the group on March 26 were not classified statements or information.

Mr. Mario Laframboise: I am not talking about those statements; I am talking about the answers to the questions about which you knew very well.... Or you may have thought that the media would not make it public, but you still shared highly secure information that had not been shared with the government. That is what you told us.

Mr. Richard Fadden: The information was not highly secure, nor did it require a high level of security clearance.

Mr. Mario Laframboise: No? To say that two provincial ministers and municipal officials..., it is not something that was—

Mr. Richard Fadden: It may not have been smart, but no one was charged with violating the law.

Mr. Mario Laframboise: Mr. Fadden, you talk too much. That is what I am telling you.

Mr. Richard Fadden: That is your opinion, sir.

Mr. Mario Laframboise: And when you are the director of the Canadian Security Intelligence Service, talking too much is not a good thing.

Then you said—and you just repeated it—that it did not affect national security. Yet you brought the entire Canadian political establishment into disrepute. And by doing so, you knowingly chose to cast suspicion on politicians in general. And you add to that, in your document today, by saying that decisions affecting Canada should be made by Canadians for Canadian reasons, in other words, by people who are loyal.

So there are two people under investigation who may not be loyal. True or not true?

Mr. Richard Fadden: That is a possibility.

Mr. Mario Laframboise: That would mean they were traitors. You did not want to use that language earlier.

Mr. Richard Fadden: It is not treason, Mr. Chair. The definition of treason in the penal code does not apply in this case.

Mr. Mario Laframboise: So they are people who are disloyal, but that does not make them traitors?

Mr. Richard Fadden: Absolutely not, Mr. Chair.

Mr. Mario Laframboise: Great. In my view, to bring the entire political establishment into disrepute is to make an error of judgment. That is the second reason you should not be in your position.

And here is the third and final reason. My colleague from the NDP—or the chair—asked you earlier to apologize to the Chinese-Canadian community, which—given its size in British Columbia—may have felt more targeted by your remarks. And you refused to apologize. Once again, that is a sign of someone who will not change. When you cannot admit your mistakes and say you are sorry, that is an error of judgment, and that is the third reason why you should no longer be in your position.

The fact that you are still there means that the Prime Minister is protecting you and that the government knew about the situation, and I have a very hard time with that. I will repeat my colleague's question: do you still think you are fit to be in your position?

● (1235)

Mr. Richard Fadden: I already answered that, Mr. Chair.

[*English*]

The Vice-Chair (Mr. Don Davies): You have 45 seconds.

[*Translation*]

Mrs. Maria Mourani: Mr. Fadden, this is not a question, but a comment that I want to make.

I agree with my colleague. We want you to step down even if you do not want to, because you are no longer the right man for the job. If, after our calls for your resignation, the Prime Minister decides not to fire you, that would make him your accomplice before the entire country, that would make him complicit in your remarks, which brought the entire Canadian political establishment into disrepute. If you do not step down today, Mr. Fadden, all it means is that the Prime Minister is protecting you.

I still wonder whether you applied for warrants to put these people under surveillance. If so, the Minister of Public Safety was aware of the situation.

[*English*]

The Vice-Chair (Mr. Don Davies): Mr. Fadden, do you have any comment?

Mr. Richard Fadden: I wasn't sure there was a question there.

[*Translation*]

Mrs. Maria Mourani: It was a comment.

[English]

The Vice-Chair (Mr. Don Davies): It's a comment. Thank you.

It's now me for five minutes.

Mr. Fadden, if I have your evidence correct, your explanation for making these comments at this function was that you lost track. Can you give Canadians assurance that you won't lose track and divulge sensitive information in the future? If so, how can you give us that assurance?

Mr. Richard Fadden: First, Mr. Chairman, I want to repeat in English what I said in response to Mr. Laframboise. The information that I gave was not classified. It wasn't sensitive in the national security sense.

I repeat, I regret having given that level of detail, and I can assure you I won't be doing that again.

The Vice-Chair (Mr. Don Davies): But surely you admit that something was improper or there'd be nothing to regret. What is it you regret exactly, sir, about what you divulged?

Mr. Richard Fadden: Giving the level of granularity that I did.

The Vice-Chair (Mr. Don Davies): And you're saying that was inappropriate, are you not?

Mr. Richard Fadden: I think I just said that, yes.

The Vice-Chair (Mr. Don Davies): Yes.

You keep saying that you didn't violate national security, but I put to you, sir, that may be the case, but you did violate people's rights. There are cabinet ministers...there's a specific class of people in this country and municipal politicians in British Columbia who feel that a cloud of suspicion has been cast over them. Do you believe they have a right to know if there are any accusations against them specifically or not?

Mr. Richard Fadden: As I was saying earlier, Mr. Chairman, once our report is completed, it will be given to government and the government will decide what to do with it.

The Vice-Chair (Mr. Don Davies): Do you not agree, sir, that in a democracy—and I notice you've used that term in some of your comments—people have a right to face their accuser; that people in a democracy shouldn't have to defend themselves against a shadowy accusation that may or may not apply to them?

Mr. Richard Fadden: I don't think anybody has to defend themselves against anything. You're taking a very small number of examples and you're suggesting that the entire political class in British Columbia should feel threatened by what I've said. I submit that's incorrect.

The Vice-Chair (Mr. Don Davies): Mr. Fadden, I'll read to you what the Lower Mainland Local Government Association has written to you. It said:

We are however deeply dismayed by the method that you chose to announce your findings. Due to the broadness of your allegations, you have placed all of the 1600 locally elected officials in BC under a cloud of suspicion. That is hardly a supportive environment for local politicians who strive to discharge their duties faithfully and expediently.

I put to you, sir, that's exactly what the 1,600-plus locally elected officials in British Columbia feel, that you have smeared them all.

Mr. Richard Fadden: I can't comment on what they've written to me.

The reason I gave the two examples was to try to illustrate the nature of the problem we have. If I had simply said there is foreign interference in Canada, you, ladies and gentlemen, would all be at your holidays right now. The point would not have been made.

I repeat again, I regret the level of granularity and it will not happen again.

The Vice-Chair (Mr. Don Davies): Well, let me drill into what you call granularity. If you had said that one of the premiers of this country is under the influence of a foreign government, would you still hold your position that there is nothing inappropriate about that because you are not specifying precisely which one?

Mr. Richard Fadden: I think it's a rather hypothetical question, Mr. Chairman.

The Vice-Chair (Mr. Don Davies): Well, you've made hypothetical allegations.

Mr. Richard Fadden: I did not.

The Vice-Chair (Mr. Don Davies): You've made real accusations.

Mr. Richard Fadden: I made accusations. I made a suggestion that they were under some level of influence.

The Vice-Chair (Mr. Don Davies): But what you've done, sir, is you haven't just been anonymous; you have specified a class of people. You have narrowed the accusations down. Do you not see that?

● (1240)

Mr. Richard Fadden: Yes, Mr. Chairman, and I've said I regret it.

The Vice-Chair (Mr. Don Davies): We saw in the United States the recent example of General McChrystal having to resign because as a member of the security establishment he made comments in the political realm that called into question the integrity or competence or fitness to hold office of certain elected officials.

As a member of Canada's security establishment, Mr. Fadden, do you see a parallel there?

Mr. Richard Fadden: No, I do not, Mr. Chairman.

The Vice-Chair (Mr. Don Davies): Why not?

Mr. Richard Fadden: Because national security is not at issue here.

The Vice-Chair (Mr. Don Davies): No, but smearing politicians, whether they are local government officials or cabinet ministers... you don't think that's calling into question the competence or fitness for office of a certain class of people?

Mr. Richard Fadden: Mr. Chairman, General McChrystal, as I understand it, smeared his commander-in-chief. I don't think there's an analogy here at all.

The Vice-Chair (Mr. Don Davies): Well, that's true. He had the courage to name who he was talking about. And it wasn't just the commander-in-chief, it was Vice-President Biden—

Mr. Richard Fadden: And a number of others.

The Vice-Chair (Mr. Don Davies): —and other people.

So you're hiding, sir, behind just a general class of people, and you think that gets you off the hook?

Mr. Richard Fadden: I don't think it's a question, Mr. Chairman, of getting me off the hook. If Parliament inserted foreign interference in the act, clearly there was the recognition that the foreign interference had to be exerted against someone. I can't think of very many other categories, other than those who are engaged in public life. That's not a revelation.

The Vice-Chair (Mr. Don Davies): Sir, if you had said "left-handed cabinet ministers of Romanian decent", would you still take the position that you didn't specify precisely who it was?

Okay, let me ask you this, Mr. Fadden. I put to you that you are in violation of the act because the act authorizes that the primary purpose is the gathering and collecting of information. That's what this is. This is information gathered under the act, I take it. Would you agree?

Mr. Richard Fadden: Yes—

The Vice-Chair (Mr. Don Davies): Okay, and—

Mr. Richard Fadden: —or it's a conclusion drawn from the information garnered.

The Vice-Chair (Mr. Don Davies): And it says "information obtained shall not be disclosed except in accordance with section 19". And it says there are four specific people to whom you may disclose information: to a peace officer having jurisdiction; to the Minister of National Defence; to the Minister of Foreign Affairs; or, in the opinion of the minister, disclosure to someone the minister designates. Now, you didn't disclose that to those people. You disclosed it to the general public. Correct?

Mr. Richard Fadden: I made a general statement about concerns about foreign interference. I do not believe section 19 applies.

The Vice-Chair (Mr. Don Davies): Well, it is information gathered under the act that you disclosed.

Mr. Richard Fadden: Yes.

The Vice-Chair (Mr. Don Davies): Now, Mr. Fadden, it also says that you may disclose, for the purpose of performance of your duties and functions under this act.... My last question will be, which duty and function under this act were you performing when you disclosed to the Canadian public that there were cabinet ministers and municipal politicians in British Columbia who were under the influence of foreign governments?

Mr. Richard Fadden: As I answered a few moments ago to one of your colleagues, Mr. Chairman, no agency act specifies that it is the duty of officers to talk to the public. It is implied.

The Vice-Chair (Mr. Don Davies): That's your position?

Mr. Richard Fadden: Yes, Mr. Chairman.

The Vice-Chair (Mr. Don Davies): Thank you.

Now, five minutes for Mr. MacKenzie, and sharing with Mr. Payne.

Mr. Dave MacKenzie: Thank you, Chair.

I'd just like to clarify something you said, Mr. Fadden. I wouldn't be on holidays; I'd be serving my constituents in my riding. And I think most of my colleagues would say the same thing.

Mr. Fadden, you must understand that Canadians will read about this tomorrow morning, sitting around their kitchen tables, and will be left scratching their heads over your testimony. Why did you feel that the black-tie audience of people you did not even know had a greater right to the information than the federal minister or affected provinces, that the federal minister and affected provinces did not have that right to know?

Mr. Richard Fadden: I don't think it was a question of right. The act specifies that we must disclose intelligence information to the government. I was making a general statement. I don't think it applies.

As I mentioned earlier, the general audience operates in this area of activity. I think they have understood what I gave them as an example of a concern—no more, no less.

I would have informed my minister and the Privy Council Office had I had real concerns and immediate concerns. But as I indicated earlier, such concerns did not exist then—and in truth, don't exist now.

The Vice-Chair (Mr. Don Davies): Mr. Payne.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Mr. Chairman.

Thank you, Mr. MacKenzie.

Thank you for coming today, Mr. Fadden and Mr. Ellis and Mr. Dunn. This is certainly an important opportunity to clear the decks on this information.

I think it's critical to draw a firm line between influence and corruption, and let's be clear what we're talking about there. You mentioned in your opening remarks a threat continuum ranging from open meetings with foreign and Canadian officials to years of contact in which a foreign actor may have convinced a Canadian official to adopt a position in which the Canadian interest is not necessarily front and centre. Indeed, the position may be even contrary to Canada's interests.

Without getting into specific details on how CSIS carries out its statutory mandate, can you describe how CSIS makes its evaluations along this continuum?

Mr. Richard Fadden: I think you're asking me to do something that's very difficult. It's something we tend to do on a case-by-case basis. As I tried to suggest in my opening remarks, there really is a spectrum of activities that go from the totally innocuous to somebody who, because of a secret influence or a threat of some sort, changes his or her position. As you move towards the second part of that spectrum it becomes, I think, increasingly obvious that there is a problem.

If over the years it became obvious, for example, that somebody was receiving benefits and that these benefits were not generally known, that the individual was in contact on a regular basis with an agent of a foreign power, we would become concerned on two points: one, that foreign influence was being exercised; and two, we'd be concerned about the Canadian being subjected to the kind of pressure that's really not appropriate. So we would then open a file and start looking at it in more detail.

At some point, truthfully, it is a question of judgment within the service and interdepartmentally and eventually in the government whether you've passed that threshold you were talking about.

• (1245)

Mr. LaVar Payne: How does CSIS constitute sufficient concern, and what should be forwarded to the appropriate authorities?

Mr. Richard Fadden: Again, it's very hard to generalize, but if we find over the years that there has been secret pressure, secret influence, secret meetings.... The activity of the foreign power has to be clandestine. It has to be secret.

A diplomat operating out of a foreign embassy does not qualify in this instance. But if the influence, if the benefits, if the activity is clandestine, if we become aware of it and it operates over a number of years, if the individual concerned is operating in an area that would be of interest to that foreign power, we eventually would form a view as to whether or not there's a matter for concern. We would open a file and move it through the process I talked about a little bit earlier.

Mr. LaVar Payne: Mr. Chair, how much time do I have?

The Vice-Chair (Mr. Don Davies): You have one minute.

Mr. LaVar Payne: Thank you.

We certainly know that CSIS is dedicated to the protection of Canada's national interests and the safety of Canadians. Certainly it's one of the most monitored agencies in the world.

You said there's merit in CSIS being more open about the threats to our national security, and yet what CSIS does is to prosecute an inherently secretive mandate. How do you reconcile these two seemingly irreconcilable differences?

Mr. Richard Fadden: CSIS has to do in secret our investigations, our inquiries, our trade craft, the information we share with foreign countries. These have to be done in secret. And I think over the years CSIS has demonstrated that it can do these things very effectively. That does not mean, though, that we cannot talk in general terms, as can the government, about threats to the security of Canada, be they espionage or terrorism or what not. So yes, there's a line that has to be drawn there, and sometimes it's not easy to know exactly where to draw it. The larger part of our activities and of our operations must remain secret, but that doesn't mean we can't talk in general about threats and the people we're dealing with.

The Vice-Chair (Mr. Don Davies): Monsieur Proulx and Monsieur Kania—

[Translation]

Mrs. Maria Mourani: Point of order, Mr. Chair.

[English]

The Vice-Chair (Mr. Don Davies): State your point of order, please.

[Translation]

Mrs. Maria Mourani: Mr. Chair, we have been questioning Mr. Fadden for roughly 1 hour and 45 minutes. I think we have done the rounds repeatedly. I would like to propose to my colleagues, in a friendly manner.... I want to move a censure motion with respect to Mr. Fadden and ask the Prime Minister for his resignation. That is the motion I am proposing in a friendly manner.

[English]

The Vice-Chair (Mr. Don Davies): Mr. MacKenzie.

Mr. Dave MacKenzie: Mr. Chair, I think the motion is out of order.

This committee was asked to come today to talk to Mr. Fadden, to receive some responses. With all due respect to my friend from the Bloc, she's jumped to a conclusion without having all of the facts, and maybe without even considering the information that was delivered to the committee today. I believe, as I said, that her motion is out of order simply because this committee wasn't brought forward today to deal with motions. As a matter of fact, there was discussion among many of the parties that there would be no motions at this committee.

Mr. Chair, I think you would be right in ruling it out of order.

The Vice-Chair (Mr. Don Davies): If I could have the indulgence of the committee, I will confer with the clerk. It's my understanding that points of order are not actually debatable. So I will just consult with the clerk for a moment.

Following consultation with the clerk, I'm going to rule the point of order out of order. It's my opinion that the point of order is a substantive one. And of course, by the rules of this committee, a substantive motion requires 48 hours' notice. But I will regard Madame Mourani's notice right now as constituting that notice. If she will put it in writing to the committee, then the committee will have filed with it a notice that will be dealt with at the next sitting of the committee.

• (1250)

[Translation]

Mrs. Maria Mourani: Thank you.

[English]

Mr. Marcel Proulx: So now we get our full five minutes. Is that correct?

The Vice-Chair (Mr. Don Davies): Yes, you will have your five minutes.

Mr. Marcel Proulx: Thank you.

Mr. Chair, the CSIS director repeated today that foreign influence remains a concern and a threat. Obviously, it's up to the Prime Minister and Minister Toews to clear the air by addressing this.

[Translation]

Mr. Fadden, the U.S. Department of Justice recently laid charges against three Russian spies who were arrested last week—and a fourth is still on the run—and it said that the individuals were posing as Canadians, so as to cover their tracks as part of the espionage work they were carrying out in the U.S.

Was CSIS aware of that, Mr. Fadden?

Mr. Richard Fadden: Not before the U.S. justice department issued the announcement.

[English]

Mr. Marcel Proulx: *D'accord.*

How concerned should Canadians be that foreign spies might be posing as Canadians to undertake espionage activities?

Mr. Richard Fadden: I think it's something we should be concerned about. It's happened over the years. The Canadian federal government and Canadian provinces have made it more and more difficult for such individuals to acquire Canadian identities, but it is still possible.

I think one of the reasons that Canada is so attractive is that we're so well viewed around the world and our passports are accepted virtually anywhere. So there is a level of concern.

[Translation]

Mr. Marcel Proulx: Thank you.

[English]

The Vice-Chair (Mr. Don Davies): Mr. Kania.

Mr. Andrew Kania: Thank you, Mr. Chair.

Mr. Fadden, how was the timing of your June 21 and 22 interviews with Mr. Mansbridge selected?

Mr. Richard Fadden: It was selected by the corporation.

Mr. Andrew Kania: Did you review that with the Minister of Public Safety, the PCO or PMO, or the national security adviser?

Mr. Richard Fadden: They were made aware that that was the schedule proposed by the CBC and that I was proposing to agree.

Mr. Andrew Kania: And did any of those individuals give you permission to do that? Did they approve it?

Mr. Richard Fadden: Given that the general idea of interviews had already been approved, I wasn't seeking approval. I was informing them in the event that they knew something they might want to tell me about.

Mr. Andrew Kania: Okay. Did you advise them as to what you would be saying? Were they aware of the fact that the allegations would be made about provincial cabinet ministers and municipal officials?

Mr. Richard Fadden: No.

Mr. Andrew Kania: For me, today, this is the point. I don't know, we don't know, whether what you're saying is accurate or not. That's information that's classified, that you're providing to other sources. So I'm not here to say you're right or wrong. I'm here to find out, if possible, what exactly you were saying, what the details are, which you've indicated you cannot provide here today, in terms of the names of individuals and the specific details.

But this part of it I think is key for today: in the spring of 2010 you advised the national security adviser of these concerns. You had these concerns, which you indicated came about at the end of 2009. That's when you were first made aware of these cases. What I find surprising, as a member of Parliament and as a Canadian, is that the Prime Minister or the Prime Minister's Office or the Minister of Public Safety did not contact you, meet with you, ask for details, or in any way get involved in circumstances that you call a real danger, after you made the national security adviser aware of these concerns in the spring of 2010.

When you gave this interview, I'm wondering whether you knew—I know you knew it, but I'm wondering whether you

deliberately provided this concern in public so that Canadians would know this concern existed, because the Prime Minister and the Prime Minister's Office and the Minister of Public Safety were doing nothing about this, which you had expressed to the national security adviser.

I'm taking you at your word. I believe you that these concerns exist; I have no information to the contrary. But what I do know is that although you expressed these concerns in the spring of 2010 to the national security adviser, the Prime Minister, the Prime Minister's Office, and the Minister of Public Safety did nothing that you can tell us on this and didn't even contact you.

I'm wondering about that and why that would have happened, that they wouldn't have, in my view, done their jobs and dealt with you.

• (1255)

Mr. Richard Fadden: I think there are two or three components to that question.

As I indicated earlier, when I spoke to the national security adviser, it was to express a general concern that we were working on a couple of files. It was a heads-up. We give a heads-up to the centre daily on a whole range of issues. Had we thought that it was a matter that merited the attention of the minister, I would have drawn it to the attention of the minister, and I suspect the NSA would have done so to the Prime Minister. But I repeat, the files we're working on are not immediate. There is no immediate danger. There is no direct critical violation of national security.

As I do on any number of files, I was drawing to her attention.... She has a coordinating role in the security and intelligence community. I was telling her that some time in the weeks or months ahead we would be coming forward with a couple of files, and I asked her how, if these files went forward, should we draw these to the attention of elements other than the federal government.

The Vice-Chair (Mr. Don Davies): Thank you.

Ms. Block, for the final five minutes.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

Thank you for an opportunity to get back to a question I had hoped to fit into my first round. Just to refresh your memory, it was in regard to the case of alleged Russian spies—more specifically, a story that ran in *The Vancouver Sun* on June 29. I want to quote that story really quickly, and then I have a series of questions.

The FBI has broken up a Russian spy ring, some of whose members were posing as Canadian citizens, the Department of Justice announced Monday. Eight "deep cover" agents working for the Russian Federation and two others on a similar mission were arrested Sunday in New Jersey, Virginia and Boston. All are suspected agents of the Sluzhba Vneshney Razvedki, Russia's foreign spy agency. The arrests come four years after the RCMP arrested an SVR agent who was living in Montreal as "Paul William Hampel." Three of the agents arrested on Sunday had assumed identities as Canadians named Donald Howard Heathfield, Tracey Lee Ann Foley and Patricia Mills. A fourth suspect, Christopher Metsos, also claimed to be Canadian. He is still at large.

What is the endgame for such agents, and what are they trying to achieve? If you wouldn't mind, please talk about the methods they are employing. Then finally, could you provide us with a sense of how the threat to Canada compares to that experienced by our close allies?

Mr. Richard Fadden: I think the endgame is very similar to the one we were talking about here today. There are a number of foreign powers, in this case the Russian Federation, which are very interested in acquiring influence on the development of policy in the United States. This can be done in any number of ways. In this particular case it appears that the agents of Russia were insinuating themselves into the U.S. economy and U.S. society with the long-term view—again, I say this is an important element—of being able to either acquire information or exercise influence.

What happens in these cases, generally speaking, is when a moment comes up that a decision is important for the foreign power, some attempt is made to communicate with their agents in place and they're asked to try to influence the decision-making process through the people they have there or through themselves.

The methodology they use—and there is no great state secret here—is the same as anyone would use to try to get someone to do something else. You try to develop a relationship. You try to find some means of exercising pressure. Both are basically usable in all cases. Very often what is done is you find a common interest and develop a relationship over time, and before you know it you have an individual thinking slightly differently.

In other cases, and it's one we also worry about, the foreign power exercises influence on the Canadian because they're being threatened with one thing or the other. We didn't talk a lot about this during this two-hour period, but one of the things we're trying to do in dealing with foreign interference is actually protect Canadians from this kind of pressure by foreign powers.

Is the threat in Canada the same as in the United States or greater? As you mentioned in your remarks, we had a similar case in 2006 and we had others in 1996. I would say—and again I think this is probably logical—that the United States is the premier power in the world today and I suspect they get more attention than we do. But we take a lot of decisions and we have a lot of information we share with the Americans and a vast number of other countries, so Canada is of considerable interest. So it would be difficult to compare

exactly, but I would say we are probably of lesser interest but still of material interest to a foreign power.

• (1300)

Mrs. Kelly Block: Finally, just to recap, we've talked a lot about the chain of command and the appropriate levels by which information is passed. Can you just run through that again for me in terms of who supervises CSIS and the chain of command from yourself up to the minister?

Mr. Richard Fadden: I am accountable to the minister for the management of the service. Having said that, in the management of national security and intelligence, the national security world, the Prime Minister has appointed a national security adviser, who has a coordinating role. I wouldn't say I report to the national security adviser, but she's an important player in all of this. So a lot of the information we would give to the minister would also be given to the national security adviser, although in some cases information given to the NSA would not be given to the minister because it wouldn't meet that threshold where we think a minister needs to be informed.

If I can take advantage of this just to make one last comment, a number of you have indicated that you are either taking me at face value or not on these matters we're talking about. I would remind you that Parliament decided a while ago that the Security Intelligence Review Committee has access to absolutely everything that we have, and I would be willing to wager that they will be reporting in some detail about whether the threats I've talked about and the details I've alluded to are true. You parliamentarians decided that we were going to do this kind of control through the SIRC, and they have been very effective at doing this through the years.

The Vice-Chair (Mr. Don Davies): Thank you, Mr. Fadden.

That concludes our question period.

Mr. Fadden, Mr. Ellis, and Mr. Dunn, on behalf of the entire committee, I'd like to thank you for attending before us here today.

The Standing Committee on Public Safety and National Security stands adjourned.

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