



# Security Intelligence Review Committee

1997-98  
Estimates

Part III

Expenditure Plan

## **The Estimates Documents**

The Estimates of the Government of Canada are structured in three Parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve. The Part III documents provide additional detail on each department and its programs primarily in terms of the results expected for the money spent.

Instructions for obtaining each volume can be found on the order form enclosed with Part II.

©Minister of Supply and Services Canada 1997

Available in Canada through

Associated Bookstores and other booksellers

or by mail from

Canada Communication Group – Publishing  
Ottawa, Canada K1A 0S9

Catalogue No. BT31-2/1998-III-77  
ISBN 0-660-60118-4



# Security Intelligence Review Committee

1997-98  
Estimates

Part III

Expenditure Plan

Approved

---

Prime Minister

## **Preface**

This document is a report to Parliament to indicate how the resources voted by Parliament have or will be spent. As such, it is an accountability document that contains several levels of detail to respond to the various needs of its audience.

The Part III for 1997-98 is based on a revised format intended to make a clear separation between planning and performance information, and to focus on the higher level, longer term plans and performance of departments.

The document is divided into four sections:

- The Chair's Executive Summary;
- Committee Plans;
- Committee Performance; and
- Supplementary Information

It should be noted that, in accordance with Operating Budget principles, human resource consumption reported in this document will be measured in terms of employee full-time equivalents (FTEs).

---

**TABLE OF CONTENTS**

---

**I. EXECUTIVE SUMMARY ..... 4**

**II. SECURITY INTELLIGENCE REVIEW COMMITTEE (SIRC)  
PLANS AND PRIORITIES ..... 6**

    A. SUMMARY OF REVIEW COMMITTEE PLANS  
        AND PRIORITIES ..... 6

    B. OVERVIEW OF SIRC OPERATIONS AND PRIORITIES ..... 7

    C. KEY PROGRAM OBJECTIVES AND STRATEGIC OUTLOOK  
        TO 1999/2000 ..... 12

**III. SECURITY INTELLIGENCE REVIEW COMMITTEE (SIRC)  
PERFORMANCE ..... 19**

    A. SUMMARY OF REVIEW COMMITTEE PERFORMANCE ..... 19

    B. REVIEW COMMITTEE PERFORMANCE OF ITS CORE  
        ACTIVITIES ..... 20

**IV. SUPPLEMENTARY INFORMATION ..... 26**

## I. EXECUTIVE SUMMARY

### CHAIR OF THE SECURITY INTELLIGENCE REVIEW COMMITTEE

The Honourable Paule Gauthier, P.C. O.C. Q.C.

Within the Government of Canada, the Security Intelligence Review Committee is unique in a number of ways. Our work consists almost entirely of reviewing and monitoring the endeavours of others in the government system. Members of the Review Committee are selected in a consultative, non-partisan manner and then given extraordinary powers of inquiry. Most of what we learn through those inquiries the law prevents us from passing on to the general public, yet public trust and confidence in our efforts is the foundation of the Committee's work.

All of these somewhat peculiar characteristics stem directly from the responsibility Parliament has given us -- to watch over Canada's security service while it carries out its mandated tasks of protecting the national security of Canada and the safety of Canadians.

The history of the establishment of SIRC in the same Act of Parliament that created the Canadian Security Intelligence Service (CSIS) would seem to indicate that SIRC's ultimate purpose is somehow at odds with that of CSIS. After all, SIRC arose directly from the McDonald Commission of 1981 and the revelation that the Security Service of the RCMP was involved in illegal or improper activities. However, I believe that the constructive tension that exists between SIRC and CSIS benefits Canada and all Canadians.

In the world as it is, a security and intelligence organization is essential to maintaining Canadians' well being and to protecting the nation from very real and dangerous threats. And by the same token, organizations like CSIS in possession of extraordinary intrusive powers must be held accountable if the integrity of Canada's democratic process is to be maintained, and is to be *seen* to be maintained.

Recent Canadian history shows that a security service without the confidence of the public will not be effective nor will it survive close scrutiny. The Security Intelligence Review Committee exists to ensure that public confidence is well-founded and to provide that scrutiny. The other Members of the Committee and I are confident of SIRC's capabilities in carrying out this vital work in the years to come.

The Review Committee's main efforts in upcoming years are to be devoted to meeting two great challenges: the evolving international security environment, and continuing fiscal austerity.

The nature of the “threats” to the security of Canada and Canadians is evolving rapidly and in some quite unpredictable ways. These changes have already resulted in major redirection of resources in the Canadian Security Intelligence Service and consequently in the priorities of the Review Committee as well. SIRC’s challenge is to maintain a high standard of performance in current areas of work while staying abreast of a rapidly changing international security climate that may require new endeavours.

The second challenge is to help preserve public confidence in the nation’s security intelligence system in the face of fiscal restraint measures. Resources available to SIRC have declined significantly in recent years, yet SIRC has managed to do more with less. The Review Committee and its staff are confident it can maintain a superior level of performance through the end of the century.

## II. SECURITY INTELLIGENCE REVIEW COMMITTEE (SIRC) PLANS AND PRIORITIES

### A. SUMMARY OF REVIEW COMMITTEE PLANS AND PRIORITIES

The Committee intends to emphasize the following aspects of its mandate in 1997-98:

- submission of its thirteenth report to Parliament;
- an assessment of the effect of changes in policy concerning human source management arising from the *Heritage Front Affair*;
- an audit of section 16 of the *CSIS Act* requests for assistance in the collection of foreign intelligence;
- a review of CSIS investigations relating to economic security;
- the completion of an extensive audit of information exchanges arising from the CSIS liaison program with foreign agencies;
- an update to the 1993 SIRC study on extremism within a Canadian Asian community;
- an audit of about 5,000 exchanges during 1995/96 between CSIS, and the RCMP, police, federal and provincial departments;
- detailed examination of an issue-based investigation of the potential for political violence in Canada;
- an audit of the CSIS investigation of the threat to Canada's security arising from a foreign conflict;
- an extensive examination of CSIS investigations in one region of Canada;
- a review of the Service's advice to the Department of Citizenship and Immigration Canada; and
- conduct comprehensive investigations of complaints filed pursuant to sections 41 and 42 of the *CSIS Act*, and reports made to the Committee under the *Citizenship Act*, the *Immigration Act*, and the *Canadian Human Rights Act*.



## **B. OVERVIEW OF SIRC OPERATIONS AND PRIORITIES**

### ***THE REVIEW COMMITTEE'S MISSION***

The Security Intelligence Review Committee fulfills two different and distinct functions in carrying out its mandate: to provide external review of the Canadian Security Intelligence Service; and to examine complaints by individuals or reports from Ministers concerning security clearances, immigration, citizenship, and other matters involving CSIS investigations.

***External Review of CSIS*** -- Parliament has given CSIS extraordinary powers to intrude on the privacy of suspected terrorists or spies. To protect the rights and freedoms of Canadians, SIRC has been given the power to investigate CSIS' activities so as to ensure that the Service's powers are used legally and appropriately. In this role, SIRC has the absolute authority to examine all information concerning CSIS' activities -- with the exception of Cabinet confidences -- no matter how highly classified that information may be.

The Committee reviews CSIS activities, and reports to Parliament on whether the Service is acting within the limits of the law and is effectively protecting the security of Canadians. As part of its regular review functions, each year the Committee examines special areas of interest. Thus, it has reviewed CSIS investigations in the areas of economic security, proliferation of weapons of mass destruction and campus operations. These major special reviews allow the Committee to provide in-depth findings on potential areas of concern.

***Investigation of Complaints*** -- SIRC's second role is to investigate complaints from the public about any CSIS action. The Committee investigates complaints concerning denials of security clearances to government employees or contractors. It also investigates reports from Ministers involving immigration, citizenship, certain human rights matters, and organized crime. Finally, the Committee investigates complaints from the general public concerning any act or thing done by CSIS.

Complaints cases involve people's fundamental rights. Denials of security clearances affect employment and future career prospects. Citizenship or immigration actions can lead to removal from Canada. The Committee must thus ensure that individuals so affected are provided with as much information as possible within the limits of national security requirements. The Committee must also ensure that, to the extent possible, every complainant has an opportunity to be heard, to present his or her witnesses, and make his or her case.

## ***REVIEW COMMITTEE MANDATE***

The Committee derives its powers from the *Canadian Security Intelligence Service Act* promulgated on July 16, 1984. The first Chair and Members were appointed by His Excellency the Governor General on November 30, 1984. The second Committee was appointed on November 30, 1989, the third Committee was appointed on November 30, 1991, the fourth in December 1992 and the fifth in 1993. In 1995, the Honourable Michel Robert, P.C., Q.C. was appointed judge of the Québec Appeal Court and was replaced by the Honourable Paule Gauthier, P.C., O.C. Q.C.

The Committee is empowered to set its own Rules of Procedure, and to employ an executive director and adequate staff to support its activities. The *Act* requires the Committee to report annually to the Solicitor General of Canada who must, in turn, table the report in each House of Parliament on any of the first fifteen days on which that House is sitting after the day the Minister receives it. The Committee may also require CSIS or the Inspector General appointed under the *CSIS Act* to conduct a review of specific activities of the Service and provide the Committee with a report of the review.

## ***REVIEW COMMITTEE ACTIVITIES***

Within the broad range of duties specified by the *Canadian Security Intelligence Service Act*, the Review Committee acts in a variety of ways in order to carry out the two main functions described above. The Committee:

- carries out research into CSIS activities generally;
- institutes studies, reviews, or compliance audits of specific CSIS activities;
- undertakes special studies at the request of the Solicitor General or on its own initiative under section 54 of the *Act*;
- consults with leading civil libertarians and experts in security intelligence matters, both domestic and foreign;
- communicates its findings to the Solicitor General from time to time, to senior officials where appropriate, and to Parliament in its Annual Report;
- investigates speedily, thoroughly, and fairly all complaints and reports laid before it; and
- acts as a catalyst in the effort to improve and streamline the security assessment process in the Public Service.

### ***ORGANIZATION STRUCTURE FOR PROGRAM AND SERVICE DELIVERY***

The Committee is made up of a Chair and four members; all are appointed by the Governor General after consultation by the Prime Minister with the leaders of the opposition parties in the House of Commons. The Chair is the Chief Executive Officer of the Committee.

In July 1996, the Committee's Chair the Honourable E. Jacques Courtois, P.C., Q.C. died after a short illness. The Honourable Edwin A. Goodman acted as Chair until September 30, 1996 when the Honourable Paule Gauthier, P.C., O.C., Q.C. was appointed to that position. The vacant position on the Committee was filled on the same date by the appointment of the Honourable James Andrews Grant, P.C., Q.C. of Montreal. Additional members of the Committee for a total of five are: the Honourable George W. Vari, P.C., O.C., C.L.H., of Toronto, and the Honourable Rosemary Brown, P.C., O.C., O.B.C. of Vancouver.

Members of the Committee meet at least monthly and each spends approximately five days each month on Committee business; the Chair's heavier responsibilities require her to spend approximately seven days each month on the Committee's business. The Chair and Members receive honoraria and expenses for the time they devote to the Committee.

The Committee has engaged a small staff of fourteen in total: an executive director, a senior complaints officer to handle complaints and ministerial reports; a director of research counter-terrorism, a director of research counter-intelligence, and five research officers, one of whom is responsible for liaison with the media; an administrative officer who is also the Committee registrar for hearings; and an administrative support staff of four. There is a particular burden on the Committee's administrative support because the material handled by the Committee is sensitive and highly classified, and must be dealt with using special security procedures.

The Committee decides formally at its monthly meetings the research and other activities it wishes to pursue, and sets priorities for the staff. Day-to-day operations are delegated to the executive director with direction where necessary from the Chair in her role as the Chief Executive Officer of the organization.

**Table 1.**

---

**Spending Authorities**

---

**A. Authorities for 1997-98 - Part II of the Estimates**

**Financial Requirements by Authority**

---

Vote (thousands of dollars)	<b>1997-98 Main Estimates</b>	1996-97 Main Estimates
<b>Security Intelligence Review Committee</b>		
<b>40</b> Program expenditures	<b>1,285</b>	1,301
<b>(S)</b> Contributions to employee benefit plans	<b>121</b>	102
<b>Total Agency</b>	<b>1,406</b>	1,403

---

**Votes - Wording and Amounts**

---

Vote (dollars)	<b>1997-98 Main Estimates</b>
<b>Security Intelligence Review Committee</b>	
<b>40</b> Security Intelligence Review Committee - Program expenditures	<b>1,285,000</b>

---

**Table 2. Security Intelligence Review Committee Overview**

(Thousands of dollars)	<b>Main Estimates 1996-97</b>	<b>Main Estimates 1997-98</b>	<b>Planned 1998-99</b>	<b>Planned 1999-00</b>
Security Intelligence Review Committee	1,403	1,406	1,360	1,360
<b>Other Expenditures</b>				
Estimated Cost of Services Provided by Other Departments	234	234	234	234
<b>Net Cost</b>	<b>1,637</b>	<b>1,640</b>	<b>1,594</b>	<b>1,594</b>

**C. KEY PROGRAM OBJECTIVES AND STRATEGIC OUTLOOK TO 1999/2000**

***REVIEW COMMITTEE ACTIVITIES FOR 1997-98***

The Committee intends to emphasize the following aspects of its mandate in 1997-98:

*Submission of its thirteenth report to Parliament --* SIRC's Annual Report will be tabled by the Solicitor General of Canada in October 1997, and will detail the results of the past year's review of the activities of the Canadian Security Intelligence Service.

*An assessment of the effect of changes in policy concerning human source management arising from the Heritage Front Affair --* Human sources function at the direction of CSIS to collect and provide information to the Service. The rules which govern their management stem from ministerial direction and written CSIS policies. Following the events involving the Heritage Front, this direction and the concomitant policies were changed. The Review Committee assessment will focus on the effects of the changes on human sources in a position to influence organizations.

*An audit of section 16 requests for assistance in the collection of foreign intelligence --* Under section 16 of the *Act* governing CSIS, the Departments of National Defence, and Foreign Affairs and International Trade under certain conditions can make requests to CSIS for assistance in collecting information in Canada about foreign states or foreign nationals of interest to Canada. The audit will focus on the information about Canadians that the Service collects and retains in the course of responding to section 16 requests.

*A review of CSIS investigations relating to economic security.* Understanding economic espionage directed against Canada is an increasing part of CSIS' work. The Review Committee's examination will focus on CSIS investigations conducted under an issue-based, Level-2 targeting authority.<sup>1</sup>

*The completion of an extensive audit of information exchanges arising from the CSIS liaison program with foreign agencies --* Records are kept by CSIS of all interactions and exchanges of information with foreign intelligence and security agencies. The Committee's review of this data will include an examination of information conveyed to foreign agencies via the Service's Security Liaison Officers who serve abroad, as well as through direct communications.

*An update to the 1993 SIRC study on extremism within a Canadian Asian community --* Specifically, the review will assess whether the persons investigated represented threats to the security of Canada and whether it was strictly necessary to collect the information gathered during the course of the investigations.

*An audit of about 5,000 exchanges during 1995/96 between CSIS, the RCMP, police, federal and provincial departments.*

*Detailed examination of an issue-based investigation of the potential for political violence in Canada --* The review will examine the threat posed to Canada's national security, the scope of the investigation, and the quality of the intelligence product provided to the Canadian government.

*An audit of the CSIS investigation concerning the threat to Canada's security arising from a foreign conflict --* The project will review the CSIS investigation of the threats to Canada's security posed by an overseas conflict, including the use of sources and the advice provided to government.

*An extensive examination of CSIS investigations in one region of Canada --* On a rotating basis, the Committee examines CSIS activities in specific regions of the country. These examinations include an evaluation of targeting decisions, a review of the validity of facts in Federal Court warrant affidavits filed in order to obtain intercepts or other powers, an assessment of the effects of surveillance on individual privacy, a review of

---

<sup>1</sup> CSIS' capacity to target (or launch an investigation into) the activities of a person, group or organization is governed by policies which rigorously control the procedures and techniques that can be employed. There are three levels of investigation with Level-3 being the most intrusive and accompanied by the most stringent legal controls and management challenges. Level-2 investigations may include personal interviews and limited physical surveillance. Level-1 investigations are for short durations and allow CSIS to collect information from open sources and from records held by foreign police, security or intelligence organizations.

the conduct of community interview programs, and scrutiny of the approval and handling of sensitive operations.

*Complete a review of the Service's advice to the Department of Citizenship and Immigration Canada -- CSIS has duties and functions in respect of immigration security screening; these were modified in 1991. The Committee review will encompass the implementation of the Overseas Streamlining Program, the objective of which is to expedite the processing of immigrant applications while maintaining an acceptable level of security risk.*

*Conduct comprehensive investigations of complaints filed pursuant to sections 41 and 42 of the CSIS Act, and reports made to the Committee under the Citizenship Act, the Immigration Act, and the Canadian Human Rights Act.*

***STRATEGIC ASSESSMENT OF MAJOR CHANGE ISSUES AND THE REVIEW COMMITTEE'S OPERATING ENVIRONMENT TO 1999/2000***

***Demands of Special Projects*** - SIRC has a small number of employees to conduct research, yet they must review many files each year in order to report to the Canadian public and to Parliament on CSIS' investigative activities. The statutory requirements also set out broad areas for ongoing audits of CSIS' work.

However, in addition, during the past 12 years, the Committee has often received requests, or undertaken on its own initiative, many major projects concerning matters in the public interest, such as the Air India tragedy, the attack on the Iranian Embassy, the Boivin case, and the *Heritage Front Affair*. In the latter case, all research staff were employed on the review for a four-month period, and staff responded to Parliament's many requests for information on the subject for a further 16 months. Therefore, in addition to an intensive ongoing review program, the Committee will continue to maintain the capability to redirect research resources to high profile issues on very short notice and for lengthy periods of time.

***Evolution of the International Security Environment*** -- When looking at the threats to Canada's national security, it is recognized that the world's security environment has largely changed from the Cold War era's long-running threats, such as espionage by intelligence services, to the reappearance of nationalist and religious extremism, which have proven to be much less predictable. In the period to 1999/2000, the Committee will conduct research and expend some resources in examining whether the new movements and activities that arise, such as some forms of economic espionage and transnational crime, constitute "threats" to national security as defined by the *CSIS Act*.

The Service's national security investigations have increasingly focused on terrorist threats, often arising from conflict in the homelands of various Canadian communities. To date, the Committee's research effort has been comprised of two research groups, each organized to

review either the counter intelligence or counter terrorism activities of the Service. However, the fall of Communism in Europe has significantly lessened the counter intelligence threats faced by Canada and CSIS has reassigned its resources accordingly. The Committee will, therefore, reexamine the structure of its research units in light of the organizational changes at CSIS, in order to enhance the effectiveness of the Committee's scrutiny of the Service's operations.

***Expectations of Clients*** -- The Committee has two clients: the general public and Parliament. Both expect SIRC to provide a comprehensive, annual assessment of CSIS' use of its powers. SIRC's ongoing review aims to reduce or eliminate the risk that CSIS will engage in illegal or inappropriate activities. The review provides a form of "report card" to Parliament and the public which can be used to measure CSIS' performance in such a way as to preserve the Service's capacity to protect national security and at the same time maintain public confidence that the system is functioning as it should. Increasingly, the Canadian public and Members of Parliament expect SIRC to seek relevant information outside CSIS through interviews with affected parties, and through other means. These clients also expect the Committee to respond to controversial issues in a timely fashion.

***Frequency and Complexity of Complaints and Ministerial Reports*** -- A major external factor currently influencing the Review Committee's capacity to fulfill its mandate is the volume and the complexity of the complaints and ministerial reports received. The Committee conducts investigations in relation to complaints made by any person with respect to any act or thing done by the Service (section 41 of the *CSIS Act*), complaints made by individuals who are denied a security clearance and are adversely affected in their employment with the Government of Canada (section 42 of the *CSIS Act*), reports made to the Committee pursuant to the *Citizenship Act* or the *Immigration Act*, as well as matters referred to the Committee pursuant to the Canadian *Human Rights Act*.

In the exercise of its statutory jurisdiction regarding complaints, the Review Committee has all the powers, rights and privileges of a superior court. Committee staff and security-cleared outside counsel conduct pre-hearing conferences aimed at promoting an expeditious hearing confined to the issues; examine and cross-examine witnesses; meet counsel for complainants to establish and agree on procedures; provide legal advice to Committee Members on procedural and substantive matters throughout the decision-making process; and prepare summaries of evidence for the Committee's consideration.

Because complaints and ministerial reports are very time consuming and require expensive legal services, small changes in their numbers can significantly affect the Committee's budget and operations. By their nature, predicting the volume of complaints and ministerial reports is very difficult; however, the Committee is anticipating an increase in the number of ministerial reports received as a result of a 1993 amendment to the *Immigration Act*. This amendment broadened the category of individuals who can be denied immigrant status because of previous connections with terrorist activities. As noted above, the international



security environment has increased the potential for politically motivated violence to spill over into Canada. In spite of increased screening efforts in the immigration program, individuals who constitute a threat to the security of Canada may gain entry. Any ministerial report generated to deal with such individuals must come before the Committee.

***CSIS Budget Reductions*** -- The recent budget reductions at CSIS have in turn affected the Committee's research program. Due to staff reductions, CSIS requires more time to provide access to its materials and respond to Committee questions than in the past. For the same reason, Committee researchers spend more time examining large amounts of raw data in order to find the required information. To date, the automated data bases used by CSIS have not significantly reduced the time required by SIRC researchers to find the answers from the raw information.

***Review Committee Adjustment to Continued Government Restraint*** -- Government-wide budget reductions at SIRC have had an impact on the Committee's research functions. In recent years, SIRC has curtailed the use of outside contractors. In addition, the Committee has reduced the funding for seminars, in which staff had access to the opinions and expertise of persons from academic and other sectors. Instead, staff rely more on one-to-one meetings with experts and opinion makers. SIRC has also reduced travel abroad and in Canada.

The Committee is also taking some measures to reduce general administrative costs. It has installed personal computers and a local area network. This has resulted in a cutback of secretarial staff from three persons to two, and has reduced the time required to prepare and release documents. Automation has also allowed more effective tracking of correspondence, classified records, and the Committee's budget.

The investigation of complaints is the most expensive area of discretionary spending for the Committee, and must, therefore, bear the brunt of the budget cuts. To deal with the reductions, the Committee is doing more work "in house", and using outside lawyers less. More pre-hearing meetings are being conducted by Committee staff to better focus the issues to be dealt with in hearings. While undertaking such measures, the Committee is determined to avoid increasing the time required to handle complaints, and to maintain the quality of its reports.

The review area is also being affected by budget reductions. As with complaints, more work is being done "in house," and the Committee is employing fewer contract research consultants. In another cost-cutting measure, the on-site audits of selected Security Liaison Officer posts abroad will be reduced.

In 1997-98, the Committee will increase its productivity by re-assigning two positions from the General Administrative or "support" category to the research section. This should increase the Research section's output by one third at minimal extra cost. Though there will be additional training costs in the short term, the eventual effect will be an increased capacity

to fulfill the Committee's mandate in its primary area of responsibility -- the review of CSIS' activities.

The Committee believes that all of these steps combined, together with a continuing effort to improve efficiency, will allow SIRC to maintain or improve the performance of its responsibilities to Parliament and the public at lower cost.

***Future Resource Requirements*** -- In broader perspective, the Committee expects that in the course of the next five years, the Government of Canada will cut additional funds from CSIS and SIRC. Some of the reductions will be evident to the Canadian public and others will not. In the latter category, some services that were previously free to Federal agencies now charge fees, such as translation. These changes to the cost structure will reduce the resources that SIRC has to conduct its research program.

As noted earlier, SIRC may be faced with new, demanding challenges that are the result of the changing "threat" environment. The emerging threats, such as nationalist/religious extremism, economic espionage and transnational crime may require significant audit resources. Parliament is increasingly asking the Committee to assess the adequacy of the protection that CSIS and other components of the national security system afford the public.

To meet the changing resource situation affecting SIRC, the Committee will reexamine its research program. The SIRC reviews may need more in-depth planning to reduce the resource costs. The Committee may have to conduct fewer special reviews, or narrow the scope of the reviews. The approach that will govern such re-examination is one of risk management, in which the costs of restricting the studies are balanced against the probability that serious errors in CSIS operations would not be detected. The challenge is to make the research program more efficient and effective, and ultimately, to increase the confidence of the general public and Parliament in the adequacy of the SIRC reviews, and the integrity of the system of accountability that the *CSIS Act* mandates.

**Table 3. Appropriated Planned Spending**

(thousands of dollars)	Main Estimates 1996-97	Main Estimates 1997-98	Planned 1998-99	Planned 1999-00
<b>Business Lines/Activities</b>				
Research	1,052	1,054	1,020	1,020
Complaints	351	352	340	340
<b>Total</b>	<b>1,403</b>	<b>1,406</b>	<b>1,360</b>	<b>1,360</b>

### III. SECURITY INTELLIGENCE REVIEW COMMITTEE (SIRC) PERFORMANCE

#### A. SUMMARY OF REVIEW COMMITTEE PERFORMANCE

In 1995-96, the Review Committee:

- submitted its 1994-95 annual report to the Solicitor General of Canada;
- conducted an investigation into the activities of a foreign state's intelligence services, and the threat posed by them to Canada's national security;<sup>2</sup>
- reviewed problems arising from a source recruitment case, and whether or not an alleged source was fairly dealt with by the Service;
- examined statistics on various operational activities, including financial information, personnel use, and operations approved pursuant to Ministerial direction;
- began an extensive audit of information exchanges arising from the CSIS liaison program with foreign agencies, including an examination of information conveyed to foreign agencies via the Service's Security Liaison Officers abroad;
- audited information exchanged with Canadian police forces, federal departments and provincial departments, including an assessment of the collection and use of sensitive personal information;
- reviewed an alleged case of CSIS interference with a trial that took place in a foreign country;
- conducted a thorough review of CSIS investigations in one region of Canada, including targeting, sensitive operations, community interviews and surveillance;
- undertook a follow-up arising from "CSIS Investigations of Certain Intelligence Services" relating to interference by foreign intelligence services in Canadian democratic processes;
- analysed changes to Ministerial Direction and the *CSIS Operational Policy Manual* with respect to human source operations, and other sensitive matters; and

---

<sup>2</sup> Details on this item and others following in the highlights summary can be found in the Review Committee's 1995-96 Annual Report to Parliament, September 30, 1996.

- dealt with a total of 39 complaints under sections 41 and 42 of the *CSIS Act* and section 19 of the *Citizenship Act*.

### **OVERVIEW**

While recognizing that the nature of SIRC’s activities dictates that measures of SIRC’s efficiency and effectiveness are overwhelmingly subjective rather than quantitative, the Review Committee continues to develop programs and procedures to help ensure Canadians’ confidence in their security intelligence system. Such quantitative measures of SIRC performance as do exist all indicate that the Review Committee delivers fair value for money to the Canadian taxpayer.

**Table 4. Security Intelligence Review Committee**

#### **Appropriated Planned and Actual Spending**

(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Main Estimates 1995-96	Actuals 1995-96
Research	982	1,010	1,061	908
Complaints	327	337	354	303
<b>Total</b>	<b>1,309</b>	<b>1,347</b>	<b>1,415</b>	<b>1,211</b>

## **B. REVIEW COMMITTEE PERFORMANCE OF ITS CORE ACTIVITIES**

### **ORGANIZATIONAL STRUCTURE AND PERFORMANCE**

The Committee’s program is comprised of two main activities: review of CSIS, and the investigation of complaints and Ministers’ reports. The organizational structure of the Committee, its legal relationship to the rest of Government, the manner in which Review Committee Members are selected and the powers they are given are central to SIRC’s capacity to carry out these two core functions.

When Parliament passed the *CSIS Act* in 1984, it created SIRC as the external agency to effectively review the Canadian Security Intelligence Service and to safeguard the democratic process, without sacrificing national security to do so. Parliament based the appointment of the Review Committee Members on certain principles. SIRC Members are appointed as the trusted representatives of the Canadian public in holding CSIS accountable.

To ensure the independence of the Committee Members, they are appointed “upon good behaviour,” usually for five years. The Members are not automatically removed when the representation in the House of Commons changes, because SIRC works independently from Parliament, the Solicitor General and the government in power.

SIRC was mandated to have non-sitting Privy Councillors precisely to avoid the problem of partisanship that could impair the Committee’s work. Review Committee Members strive to release as much information as possible to Parliament and to the public. At the same time, however, Committee Members are bound by the laws governing the release of secret information, as no intelligence agency can possibly be effective if all of its operating methods and procedures are known to potential targets.

The Committee has been in existence now for twelve years. It is difficult to see how measures of effectiveness will ever be other than highly subjective with regard to the review function. There are many such subjective indicators -- remarks by Parliamentarians, academics, editorial writers, and two foreign professors who have studied the Canadian system -- which address the Committee’s performance.

The Committee’s effectiveness can only be measured externally by the degree to which Parliament and the public perceive the Committee to be an effective watchdog, to be informed about CSIS’ activities, and to be in tune with contemporary attitudes about what those activities should encompass. Internally, the Committee will judge its own effectiveness by the degree to which Members are satisfied that they really do know all that they should know about what CSIS does.

In its role as the investigator of complaints or ministerial reports, the Committee has established rules of procedure which mirror judicial proceedings as much as possible. The Committee’s hearings are formal adjudications conducted by an administrative tribunal exercising quasi-judicial powers. Subject to compliance with security requirements and assisted by security-cleared lawyers, Committee Members assigned to a hearing are delegated the discretion to balance national security demands against the demands for fair procedure and natural justice. During *in camera*, *ex parte* hearings, this balance requires vigorous cross-examination of the Service by the Committee’s counsel, following which the complainant and his or her counsel are provided with a summary of the evidence presented during their absence.

Another measure of the soundness of the Review Committee’s decision making is that of the cases completed by the Committee since its creation, only seven have been appealed. Two of these cases went to the Supreme Court of Canada. The general procedures of the

Committee, governed by the *CSIS Act* and the Committee's Rules, were found by the Supreme Court of Canada<sup>3</sup> to be valid and not in conflict with the principles of fundamental justice under section 7 of the *Charter of Human Rights and Freedoms*.

***SIRC PERFORMANCE IN ITS ONGOING REVIEW OF CANADA'S SECURITY AND INTELLIGENCE SERVICE***

The research, analysis, audit, and consultation that comprise the review function are continuous processes that provide the basis for the Committee's ability to report with confidence to Parliament in the SIRC annual report each September. Occasionally, a particular research project or study may fall wholly within a fiscal year, making it possible to establish discrete costs. More often, the Committee's research and monitoring activities will require assigned resources spanning more than one fiscal year, with reports, conclusions or recommendations flowing from the Committee on a sporadic timetable. Thus, the annual report in any given year, or special Committee reports to the Solicitor General when appropriate, will usually reflect the application of resources provided for more than one year.

The Committee has a staff program in place to ensure that as much as possible of all published material of interest is provided to Members in full or summary form. A network of academics and experts in Britain, the US, and Australia as well as in Canada is now in place, and the Committee receives a steady flow of relevant material.

***Disclosure to Parliament and the Public*** -- The manner in which the Review Committee is able to respond to questions raised by elected representatives is a key element in the public's confidence in the security intelligence system as a whole. While the Committee does its best to inform Members of Parliament, the *CSIS Act* does not give SIRC the authority to brief parliamentarians on the details of classified information. Section 37 of the *CSIS Act* directs that Members of the Committee comply with the security regulations of the Government of Canada and that they take an oath of secrecy. Nevertheless, the Review Committee continually seeks to find ways to convey information to parliamentarians and the public so that they can assess the quality of the Committee's research, and judge whether the *CSIS Act* is working as it should.

***Efficiency in the Research and Review Process*** -- During the past year, SIRC reorganized the preparation of research reports so that Committee Members could examine the drafts of research studies each month, rather than receiving the bulk of them at the end of the year. This modification should provide Members with more time to deliberate on the research results. The new time frames have resulted in several late reports, however, and the completion dates of some reviews have been deferred to the next year.

---

<sup>3</sup> In *Minister of Employment and Immigration v. Chiarelli* (SIRC as intervener) (26 March 1992), Supreme Court of Canada.

The Committee is seeking to use its existing resources more efficiently to deal with problems relating to the completion of research projects. Until recently, the Committee has allotted its research resources between two teams; one reviews counter intelligence operations while the other is devoted to examining the counter terrorism side of CSIS' work. The Committee intends to integrate all research resources to more closely mirror the current deployment of resources within CSIS.

As noted in the Plans section above, there will be some redeployment of resources towards the research function. The Committee's aim is to manage the intensive research program more effectively, as well as to maintain the capacity to take on special projects which typically arise during the year. Success will be measured by the quality and comprehensiveness of the research reports completed during the fiscal year, and by whether the reports and projects listed in the Part III Estimates are in fact completed during the year in question.

### ***SIRC PERFORMANCE IN THE ACTIVITY OF COMPLAINTS AND MINISTERIAL REPORTS***

The Committee conducts investigations in relation to complaints made by any person with respect to any act or thing done by the Service (section 41 of the *CSIS Act*), complaints made by individuals who are denied a security clearance and are adversely affected in their employment with the Government of Canada (section 42 of the *CSIS Act*), reports made to the Committee pursuant to the *Citizenship Act* or the *Immigration Act* (Ministerial reports), as well as matters referred to the Committee pursuant to the *Canadian Human Rights Act*.

In the exercise of its statutory jurisdiction regarding complaints, the Review Committee has all the powers, rights and privileges of a superior court. Committee staff and security-qualified outside counsel conduct pre-hearing conferences aimed at promoting an expeditious hearing confined to the issues; examine and cross-examine witnesses as required; meet counsel for complainants to establish and agree on procedures; provide legal advice to Committee Members on procedural and substantive matters throughout the decision-making process; and prepare summaries of evidence for the Committee's consideration. Because of the complexity of complaints and the consequent flow of documents, transcripts, and Committee reports, the general administrative support activity is very much oriented towards the complaints function.

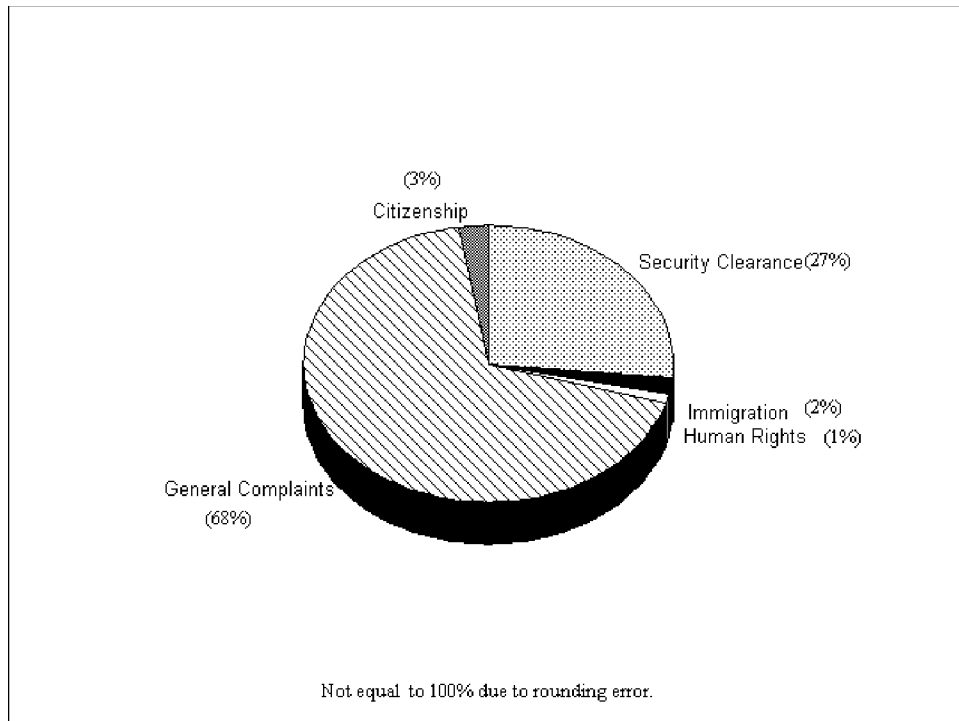
***Statistics and Indicators of Performance*** -- The volume of complaints, referrals and ministerial reports dealt with by the Committee from its inception in November 1984 until December 1996 is shown in Table 5.



**Table 5. SIRC Complaints Cases from 1984-85 to 31 December 1996**

Year	General Complaints	Security Clearance	Citizenship	Immigration	Human Rights	Totals
1996-97	29	1	1	1	1	33
1995-96	37	1	1	0	0	39
1994-95	53	1	0	1	3	58
1993-94	45	2	0	0	0	47
1992-93	44	3	-	1	-	48
1991-92	40	4	-	-	-	44
1990-91	37	23	-	-	-	60
1989-90	46	21	-	-	2	69
1988-89	16	12	-	3	-	31
1987-88	33	2	1	3	-	39
1986-87	12	6	-	2	-	20
1985-86	17	85	12	1	1	116
1984-85	3	1	1	-	-	5
<b>Total</b>	<b>412</b>	<b>162</b>	<b>16</b>	<b>12</b>	<b>7</b>	<b>609</b>

**Table 6.**



***Committee Efficiency in Dealing With Complaints*** -- The Committee is in the process of updating a computerized monitoring system created a number of years ago to measure the response time in dealing with complaints with a view to reducing the time taken by purely Committee procedures during the complaints process. There are, of course, delays which are beyond the Committee's control; the complainant, CSIS, another party to the investigation, and vital witnesses all influence the complaints process. Nonetheless, SIRC will monitor and assess its own efficiency by measuring response times within its own control.

***Citizenship and Immigration Complaints, Trends and Cases of Note*** -- The trend identified last year concerning the length of time required by the Service to conduct investigations and subsequent delays in providing advice to the Minister of Citizenship and Immigration Canada continued this year. While the majority of complaints in this area do not reach a formal hearing stage, each one has to be assessed, a file review conducted, and due consideration given to information provided by the complainants. In each case, the Review Committee must assure itself that no undue administrative delay was involved in the Service's investigations.

In November 1995, the Trial Division of the Federal Court rendered judgement on an appeal of a decision rendered earlier by the Committee. The Committee had investigated a Ministerial report from the Minister of Citizenship and Immigration Canada and the Solicitor General. The Committee's ruling was that the Ministers were correct in their determination that the individual concerned constituted a threat to national security because he was a member of an organization likely to engage in acts of violence. In its ruling, the Federal Court said that the particular section of the *Immigration Act* cited in the SIRC decision was in contravention of the Charter's clause on freedom of association. The ministerial report and the Review Committee's conclusion were thus set aside and the matter referred back to the Committee for reconsideration. A second decision has yet to be rendered because of the busy calendar of Counsel for the individual.

In another salient immigration judgement, the Trial Division of the Federal Court ruled in August 1996 that the Committee could not fulfil its statutory obligation pursuant to the *Citizenship Act* in respect to a certain individual because the Committee had revealed its bias against the individual by the way in which it referred to him in its report on the *Heritage Front Affair*. The Court prohibited the Committee from conducting an investigation into the denial of the individual's application for Canadian citizenship. In his ruling, Mr. Justice Heald did not make any finding of error or wrongdoing on the part of the Committee. He simply stated that upon review of the statements concerning the individual contained in the Committee's report, it would be reasonable to conclude that the Committee had already come to conclusions on issues that would arise in its investigation of the immigration matter.

The immediate impact of the ruling is that the Minister's conclusion in this particular case has been placed outside the purview of the Committee. Beyond this, however, the implications are still uncertain. Mr. Justice Heald wrote in his judgment that "this decision

relates to the very specific and unusual facts of this case,” thus reducing the impact of the decision as a legal precedent. However, given the Committee’s statutory mandate, the ruling creates potential obstacles for future investigations -- a difficulty confronting any administrative body like SIRC which plays both a policy role and an adjudicative one. The Minister of Citizenship and Immigration has appealed the decision and the Review Committee has intervenor status.

***Security Screening Complaints, Trends and Cases of Note*** -- Despite government downsizing, the number of government security screenings increased from 51,209 in 1994-95 to 56,886 in 1995-96. Notwithstanding these large figures, the Service only issued three rejection briefs. None of the three affected individuals made complaints to the Committee; nevertheless, the Committee will look into the rejections in an attempt to gain a better understanding of why the individuals did not appeal the decisions. The Committee will also examine the Service’s activities with respect to the government security screening programme in light of the very few recommendations for refusal that have resulted.

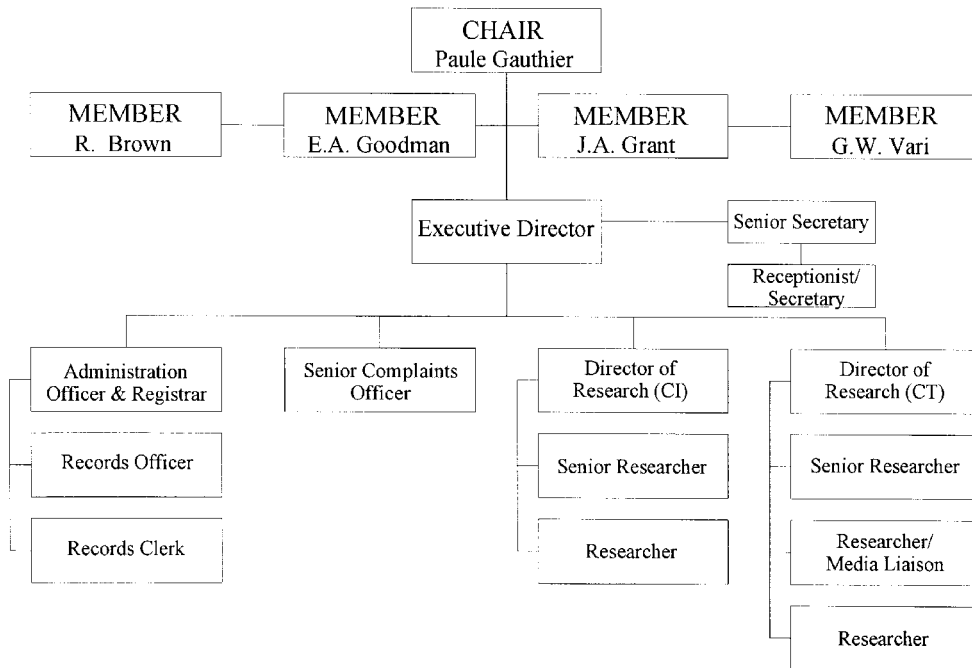
The Committee took special note of a general complaint against the Service by a person whose level of access to classified information was lowered by the department concerned without a formal denial procedure. The Committee investigated the matter and indicated in its 1995-96 Annual Report that it was troubled by such actions taken by a government body. If such practices were to become more widespread in government departments, they could seriously undermine the integrity of both the security clearance process and of the review mechanism established by Parliament in the *CSIS Act*.

Finally, at the time of the submission of this document, the Committee had received a complaint by an individual who had been denied access to classified material as an “administrative measure”, rather than as a formal denial approved by the deputy head of the government department concerned. The Review Committee will investigate this case.

***Other Types of Complaint*** -- One section 41 complaint involved concerns raised by a Member of Parliament. Some constituents of an MP had been interviewed by the Service based on information collected under its investigative mandate. Without infringing on the complainants’ privacy, the Committee determined that the individuals concerned were not targets of the Service and that they should have been so informed by CSIS at the time of their interviews.

## IV. SUPPLEMENTARY INFORMATION

### Security Intelligence Review Committee



**Table 7. Total Net Expenditures by Object**

	<b>Main Estimates 1996-97</b>	<b>Main Estimates 1997-98</b>	<b>Planned 1998-99</b>	<b>Planned 1999-00</b>
Personnel				
Salaries and wages	703	710	710	710
Contributions to employee benefit plans	102	121	121	121
Goods and services				
Transportation & communications	92	92	92	92
Information	18	18	18	18
Professional & special services	432	409	363	363
Rentals	32	32	32	32
Purchased repair and upkeep	3	3	3	3
Utilities materials & supplies	12	12	12	12
Other subsidies & payments	-	-	-	-
Minor Capital	9	9	9	9
<b>Total operating</b>	<b>1,403</b>	<b>1,406</b>	<b>1,360</b>	<b>1,360</b>

**Table 8. Personnel Requirements**

**Summary by Professional Category (FTEs)\***

	<b>Actuals 1994-95</b>	<b>Actuals 1995-96</b>	<b>1996-97 Estimates</b>	<b>1997-98 Estimates</b>	<b>1998-99 Planned</b>	<b>1999-00 Planned</b>
Order-in-Council Appointments	-	-	-	-	-	-
Executive Group	1	1	1	1	1	1
Scientific and Professional	-	-	-	1	1	1
Administrative and Foreign Service	11	11	12	11	11	11
Technical	-	-	-	-	-	-
Administrative Support	2	2	1	1	1	1
Operational	-	-	-	-	-	-
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>

\* Full-time equivalents (FTE) is a measure of human resource consumption based on average levels of employment. FTE factors out the length of time that an employee works during each week by calculating the rate of assigned hours of work over scheduled hours of work. FTEs are not subject to Treasury Board control but are disclosed in Part III of the Estimates in support of personnel expenditure requirements specified in the Estimates.

**Table 9. Personnel Requirements**

---

**Details of Personnel Requirements by Business Line/Activity (FTEs)\***

	<b>Actuals 1994-95</b>	<b>Actuals 1995-96</b>	<b>1996-97 Estimates</b>	<b>1997-98 Estimates</b>	<b>1998-99 Planned</b>	<b>1999-00 Planned</b>
<b>Business Lines/Activities</b>						
Research	12	12	12	12	12	12
Complaints	2	2	2	2	2	2
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>

---

\* Full-time equivalents (FTE) is a measure of human resource consumption based on average levels of employment. FTE factors out the length of time that an employee works during each week by calculating the rate of assigned hours of work over scheduled hours of work. FTEs are not subject to Treasury Board control but are disclosed in Part III of the Estimates in support of personnel expenditure requirements specified in the Estimates.

**Table 10. Net Cost of the Program by Business Line/Activity**

(thousands of dollars)	<b>Financial Requirements 1997-98</b>			
	Gross Expenditure Total	Total Committee Main Estimates	<b>Spending Authorities</b>	
			Statutory Expenditures	(Voted) (appropriations) Non Statutory Expenditures
Research	1,054	1,054		1,054
Complaints	352	352		352
			121*	(121)*
<b>Total</b>	<b>1,406</b>	<b>1,406</b>	<b>121</b>	<b>1,285</b>
<b>Other Expenditures</b>				
Estimated Cost of Services Provided by Other Departments	234	234		
<b>Total</b>	<b>1,640</b>	<b>1,640</b>		

\* Contributions to Employee Benefit Plans included in Gross Expenditures