The Canadian Intelligence Community After 9/11

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Introduction

After September 2001, the Canadian intelligence community gained substantial new resources and revised mandates. Institutional structures were modified to focus on new threats and improve coordination. Agencies gained in impact because they had more capacity to deal with potential terrorists and gather information in a world which was more chaotic, more threatening, and more unpredictable.¹

The 9/11 attacks were a catalyst for change, but the Canadian intelligence community² had also been shaken by the Ressam plot, and was subsequently influenced by the allied Iraq debates, participation in Afghanistan, and the Arar and Air India inquiries.³ Changes continue as new capacities are absorbed, refined and focused.

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² References to “intelligence” and the “intelligence community” are intended to include both intelligence and security functions.

Context

It was clear soon after the communist bloc collapsed that a major preoccupation for the Five Eyes intelligence communities (US, UK, Canada, Australia, New Zealand), and many others, would be international terrorism.

International terrorism had been steadily growing as a threat, and al Qaida had been seen as very aggressive and well organized. The attacks and on the US embassies in Nairobi and Dar es Salaam in August 1998, and on the USS Cole in October 2000, showed a pattern of daring escalation.

What had not been demonstrated before September 11, 2001, was the vulnerability to terrorist attack of citizens of the United States and Canada within North America itself. Terrorist attacks had endangered Canadian travelers and businesses abroad, and destabilized fragile states of strategic interest to Canada and its allies. The domestic terrorist preoccupation had been the use of Canada as a base, fund-raising pool, and refuge for international terrorists.

The 9/11 attacks completely altered the perception of Canadian vulnerability. North America was accessible to terrorist cells. Airliners could be taken over and turned into weapons. Attacks might not be narrowly targeted or focused on publicizing a cause, but designed to kill thousands of people. The specific intention could be to inflict crippling economic damage on the United States. Canadians would be direct or collateral targets. Canadian territory was a potential platform for attacks on American citizens and property.

Although the original attackers came from outside North America, immigration patterns to Canada, and the ease with which potential terrorists could communicate with offshore recruiters, meant that there could be thousands within North America open to al Qaida’s terrorist ideology, methodology and determination. Both internal security and border security, supported by detailed foreign intelligence on terrorist organizations, had to be drastically enhanced.

The mobilization of resources to prevent a direct attack on Canadian citizens or Canadian infrastructure became an immediate government priority.
Assessing Security and Intelligence Capacity

The effectiveness of an intelligence community must be assessed in many dimensions. Absolute level of resources is very important, but so is the relationship with allies. Canada exchanges information and assessments within the Five Eyes community, and there is extensive operational interaction.

Mandate clarity and comprehensiveness is central to capacity, but so is the nature of community cooperation and interaction. Money can buy people, but it can’t buy relationships, mutual confidence and habits of collaboration. Good people can be hired, but proper training, the right experience, organizational culture, and the frequent exchange of personnel across the community, are critical to effectiveness. The circulation of leaders within the intelligence community is beneficial, because past experience and long-term relationships have a direct impact on effectiveness. Stability in community leadership promotes steady improvement, while the cross-posting of personnel within the community builds networks and cooperative practices. Management in the peculiar world of security and intelligence requires special skills in building relationships and managing priorities,

Good information is essential, but using intelligence wisely is a specialized skill. Collection priorities and intelligence products must meet client needs.

On the operational side a host of capacities are needed—some become more feasible simply through the availability of manpower. Tracking terrorists is labour intensive, and must be supported by detailed knowledge of target organizations and operatives. Potential domestic terrorists are likely to be inspired, and possibly trained and supplied, by organizations outside Canada. Visitors to Canada may represent terrorist organizations and have a special role in recruitment or the provision of expertise. A domestic security capacity requires international knowledge.

Progress on all of these fronts has been made thanks to the infusion of resources, the heightened sense of urgency, and not least, experience under pressure.
Growing the Intelligence Community

One undeniable impact of 9/11 is that the intelligence community is much larger than it was.

The 1990s had been the years of the “peace dividend” and overall capacity had diminished. Terrorism was a threat, but the end of the Cold War seemed likely to signal an era of democratic growth and diminished global conflict.

This hope disappeared after September 11. Canada’s intelligence agencies needed renewed investment to generate a dramatically greater capacity to combat terrorism. Visible investment in intelligence was a political necessity to reassure Americans as well as Canadians.

The budget following the 9/11 attacks allocated $7.7 billion over five years to security and enforcement agencies, including CSIS, CSE, RCMP, Immigration and the Canada Customs and Revenue Agency. There was another $605 in the 2001 budget and a further billion in 2005.

From 1999-2000 to 2008-09 the budget of CSIS rose from $179 million to $430 million. Staffing climbed from 2061 to 2,910 in that period.

The Communications Security Establishment Canada approximately doubled in size, and will move into a new facility beside CSIS, that is capable of meeting its personnel and technical needs.

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DND also grew enormously to meet new military commitments, and expanded its intelligence gathering and assessment capacity as it did so. Accurate tactical intelligence is directly linked to casualty rates for patrols, but a broader knowledge of Taliban leadership, resources, plans and methods is also necessary for understanding the battlespace.

The RCMP budget was boosted in October 2001 by an extra $59 million to combat terrorism, and there was another $576 million in December.\(^9\)

Public Safety, until late 2003 the Department of the Solicitor General (and very modest in size) grew to a budget of $422,086,000 million for Estimates 2009-10.\(^10\) The new department included the organizations from the Solicitor General period (CSIS, RCMP, Correctional Service of Canada, Parole Board) but added the Canada Border Services Agency, the National Crime Prevention Centre, and the Office of Critical Infrastructure and Emergency Preparedness.

The Privy Council Office, which housed a number of special projects related to security, as well as the Security and Intelligence Secretariat and the International Assessment Staff, was also boosted. The IAS was able to double its complement of intelligence analysts, and increase the breadth and depth of its analytical coverage.

While huge increases in budget have quickly transformed the potential and capability of Canada’s intelligence agencies, some of the increase in real capability has developed over a longer period, with the expansion period just now coming to an end in most agencies.

There are several reasons for this. First, hiring must take place at a deliberate pace. The supply of people with the right skills is limited, and agencies have had to make sure those hired had long-term potential as well as the right immediately-required skills.

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More significantly, it takes time for intelligence organizations to build expertise, develop community and external relationships, learn customer needs, develop the culture which supports intelligence and security work in a democracy, and be able to “survive contact with the enemy”\textsuperscript{11}. This is the work of years; budget surges are necessary but not sufficient for maximum capability.

Access to Intelligence

Not only have increased resources given Canada a greater capacity to acquire, manage and distribute information, but 9/11 has led allied intelligence communities to believe that combating terrorism means building global networks to share information.

American authorities quickly concluded that the concept of “need to know” as a basis for distributing intelligence, had to be replaced by “need to share.” Tracking the potential for terrorist attacks requires many scattered specialist to have access to the bits and fragments that can be built into comprehensive assessments. US community leaders believed effective information-sharing within the U.S. needed to be complemented by a more comprehensive sharing arrangement with foreign intelligence partners, and that a much deeper relationship was advisable with the close allies.

Canada had always benefitted from sharing arrangements with the US, but after 9/11, Canada was told that “the taps were being opened.” The increased flow of foreign intelligence reporting and the volume of US assessments was so immense that a special capacity had to be created to handle it.

Correspondingly, US pressure for access to Canadian security intelligence information also increased, one of the contributing factors in the Arar case, because to be useful, sharing includes material which is soft and suggestive, as well as that which is hard and of judicial quality.

As pressure built on the Iraq file Canada received a large flow of material, but was able to assess its quality outside the context of the US debate. Receipt of allied

\textsuperscript{11} “No plan survives contact with the enemy.” Helmuth Karl Bernhard Graf von Moltke.
intelligence material does not foreclose different conclusions on its significance if the right assessment expertise exists.

Because of the increased importance of terrorism, Iraq, Afghanistan, and many other sensitive foreign policy files, greater access to intelligence was of heightened value after 9/11, as were the assessments based on it.

Equally the growing capacity of operational agencies to receive, generate, and make use of intelligence about terrorist threats, increased the overall relevance of the activities of the security and intelligence community. Working in partnership with allied agencies increased the ability of Canadian agencies to penetrate terrorist organizations.

An intelligence community which had more quality information available naturally had a greater potential for contributing to the development of policy, and for dealing with security threats.

Coordination Across the Community

Before 9/11 coordination and cooperation across the community was much weaker than it is now. There are many reasons for a marked improvement.

Soon after 9/11 the role of the Privy Council Office Intelligence Coordinator began to change. First the position was combined with Deputy Clerk and Counsel, a useful combination when new anti-terrorist legislation was being prepared. Later the position was taken on simultaneously by the Associate Clerk of the Privy Council, which increased the weight of the position, but divided the time of the Associate Clerk. In December 2003 the job was changed to National Security Advisor (still combined with Associate Clerk) to signal an enhanced role. Now the position of National Security Advisor, as recommended by the Air India Inquiry, is held by a senior and experienced Deputy Minister who does not have other responsibilities.
National Security Advisors have worked to pull together the Deputy Ministers working on security and intelligence, and to steadily increase coordination within the community.

Deputy Ministers, led by the National Security Advisor, have been active in asking for and considering community intelligence assessments written for senior readers. Canada had consciously imitated the UK’s Joint Intelligence Committee (JIC), which stresses regular meetings of the senior intelligence leadership to review and approve assessments. Agency representation in Canada slipped steadily down the hierarchy until the Intelligence Assessment Committee carried little community-wide weight, and was not recognizable as a JIC counterpart. Senior leaders are again considering assessments, which is an important step in integrating intelligence material into policy.

Extra resources for the Security and Intelligence Secretariat in PCO also promoted cross-community coordination, as did the greater policy capacity in Public Safety. Additionally, the doubling of the International Assessment Staff increased both the breadth of coverage and the quality of assessments. The IAS was also able to play a greater coordination role with the assessment branches of intelligence community agencies, and to improve linkages with allied assessment organizations. Canada receives assessments from the Five Eyes community partners, as well as intelligence, and is thus able to compare its judgments with those of its allies.

The Integrated Threat Assessment Centre, styled on the UK’s Joint Terrorism Assessment Sector, has not thrived as well as its inspiration because the Canadian context is much different, but it has given the Canadian community valuable experience with the “fusion centre” model now used in some way by all allied communities. It has helped provide a flow of information to Canadian police services, and draws on terrorist expertise from across federal government agencies, making an important contribution to the pool of community assessments on terrorism and radicalization. It is the conduit for products from allied fusion centres.

The greater size and resource base for the community has meant that there is more information to share, and therefore more encouragement to build the necessary structures for seeing it used effectively. With a larger employee base there is a greater
chance to retain expertise within the community, and more incentive to move experts between organizations. All of this has helped to break down the barriers and build organizational and personal bridges.

Canada’s participation in Afghanistan has led to extensive operational cooperation amongst experts from DND itself, CSE, CSIS and the RCMP, with analytical support from the assessment community. This has provided invaluable experience in meeting the demand for high quality intelligence under severe pressure.

With their different roles, some tension between the RCMP and CSIS is inevitable, but both have benefitted from extra resources, and both are subject to the intelligence community move to greater cooperation. Direct cooperation has increased through the use of INSETS (Integrated National Security Enforcement Teams) and joint operations are frequently in the news. The Air India inquiry analyzed the issues around evidence sharing in depth, and will likely have a continuing impact on the evolution of the RCMP-CSIS relationship. With specific definitions of terrorist activities set out in the Anti-Terrorist Act, the role of the RCMP in prosecuting terrorist crimes has been emphasized.

Mandates

After 9/11 Canada made important changes to the legislative base of the intelligence community, with the intention of clarifying the legal basis for anti-terrorist measures and providing intelligence and security agencies with additional mandates and tools.

One set of changes in the Anti-Terrorist Act recognized the Communications Security Establishment, and extended its mandate to allow it to intercept communications between a person outside Canada and a person inside the country.

This new power for CSE is particularly important, since building a knowledge of the ties between groups overseas and in Canada is an essential part of tracking terrorist threats. Without this power the most significant piece of information about networks of terrorists—ties to people within Canada—is much more difficult to establish.
Terrorist financing was also included in the changes to the Criminal Code, which has, among other things, emphasized the work of the Financial Transactions and Reports Analysis Centre (FINTRAC) as a part of the intelligence community.

The Public Safety Act was designed to protect the safety of air travel, while amendments to the Immigration Act increased the tools which could be used against immigrants with terrorist connections.

Many other legislative or administrative changes increased the tools available to security and intelligence agencies.

Additional funding has been used to give CSIS a greater capacity to expand its security intelligence collection abroad. This appeared to have resolved the long-standing debate within the bureaucracy about whether Canada needed a separate foreign intelligence agency. However, the Security Intelligence Review Committee (SIRC), in its 2010 report, has questioned whether CSIS has the legal authority for this additional mission.

Additional resources have pushed a significant growth in the Department of Public Safety. Policy capacity has been greatly increased, which is of substantial value to the Security and Intelligence Secretariat in PCO.

The customs functions of the Canada Customs and Revenue Agency were combined with the enforcement and entry functions of Citizenship and Immigration Canada and the Canada Food Inspection Service, to become the Canada Border Services Agency. Integrating these border management functions put additional emphasis on terrorism-related security.

The scope of the intelligence community has grown through the addition of resources and the reorganization of mandates. It has also grown because the intelligence functions of some departments have also been expanded. The Canada Food Inspection Service, Health Canada and Environment Canada, for example, all need some capacity to receive and analyze intelligence material. Good intelligence can help them understand threats within their respective jurisdictions which may arise abroad from deliberate acts of omission or commission, or simply provide early warning of the onset of a threat to human health or the environment.
The Use of Intelligence in Canada

Before 9/11 the input of intelligence material into decision-making, particularly international decision-making, was modest. Many senior people in the Department of Foreign Affairs and International Trade did not see intelligence input as particularly useful. Canada did not have its own foreign intelligence service, and even the separation of the Canadian Security Intelligence Service from the RCMP was recent history, occurring in 1984.

It is sometimes said that Canada lacks an intelligence culture, presumably because intelligence has not been seen as playing a significant role in our history, or in the analysis of foreign policy questions. We have not been among those nations that assume intelligence is vital to an effective foreign policy agenda.

There has certainly been resistance to intelligence material in some quarters. This may be in part a result of the predominance of US material, and a suspicion by some that material from allies might be specifically fed to Canada to influence decisions. This fear is more prevalent if there is a shortage of intelligence evaluation resources, as there often has been, to carefully weight the credibility and significance of intelligence reports.

It is doubtful that intelligence will ever play the role in Canada that it has in the US or the UK. Canada is not a global power or a first responder, but intelligence is likely to play a greater role than it has in the past. We may at the least see an erosion of the anti-intelligence culture if intelligence material routinely becomes a valuable input to policy decisions, or if security threats are both more frequent, and more frequently lead to convictions.

There is now more intelligence available from all allied sources, more Canadian-sourced material, and a larger pool of expert analysts who examine the quality and relevance of material from a Canadian perspective. The expansion of open source material may provide more detailed context, but will not always provide the operationally useful information on an actor’s ultimate capability and intent which can be contributed by covert sources.
The shift away from the large blocks of the Cold War period has meant that there are many more actors with a global impact—not just terrorists, but global criminal organizations, the leaders of fragile states, the corrupt leaders of states large and small, and now even pirates based in a pirate state. The intentions of the leaders of Russia and China, and the aggressive activity of their intelligence agencies, still require careful attention.

Social media has become increasingly important in provoking resistance to authoritarian regimes, and in reporting on the progress of protest movements.

This may appear to make intelligence less relevant, but the contrary may be the case. If popular discontent can be quickly mobilized, rather than built up over many years without an outlet, then it is more, not less important to understand discontent beneath the surface of repression. If countries may suddenly be faced with a popular revolt, then it is important to know the likely reaction, and capability of the regime. Social media tools can be used by many groups, and understanding the degree to which they reflect reality, or are being used to shape it, will be a challenge for intelligence agencies and policy makers.

The additional resources made available to the Canadian community have increased capacity at many levels. More information can be gathered by the collectors, and there are more sophisticated technical systems for storing it and making it accessible. A larger Canadian information base makes it easier to obtain information from allies, whether the purpose is for general assessment or for pursuing specific cases. A larger resource base means that Canada can develop niche capacities within the allied community through its ability to recruit from the many language groups represented in Canada, which in turn enhances its value as a partner.

Analysts have more access to information and more analytical capacity, so they are able to produce assessments useful to clients across a broader range of subjects. The greater access to allied assessments gives Canadian analysts the chance, and even the need, to compare their conclusions with those of their counterparts, and accept or reject them from a Canadian perspective. Canadian analysts are challenged not only by Canadian counterparts in other Canadian agencies, but by debate with analysts in the
Five Eyes community who are drawing on a very similar information base, but bringing different perspectives to the analysis.

On the security side, the investigation of persons of interest is labour-intensive. More resources means a greater ability to investigate those who may be planning a terrorist attack, in Canada or elsewhere, and a correspondingly higher degree of protection for Canadians here and abroad.

Canada has not gained a comparative advantage in comparison with the US, UK and Australia, since they have all continued to invest more heavily in security and intelligence than Canada, but Canada is able to act domestically, and in concert with its allies, with a much greater degree of expertise than it has in the past.

The overall capacity of the community has been significantly increased, and its ability to contribute to informed policy, and the protection of the public, has increased markedly. An adequately resourced security and intelligence community is a requirement for every country engaged in the new world of multiple “snakes.”

Community Oversight

Oversight is important to ensure that agencies act within their lawful mandates and respect the rights of Canadians. Oversight is also important as a prod to excellence, efficiency and value for money.

Canada has individual oversight agencies for CSIS, CSE, and the RCMP. The Auditor General has done a number of reports on security and intelligence expenditures.

Unfortunately, there is currently no effective agency for looking at the Canadian security and intelligence community as a whole. There is no unified oversight agency, as Australia has with the Office of the Inspector General. There is no dedicated House of Commons Committee, and no joint Senate-House Committee. The Senate Committee on National Security and Defence has a broad mandate, which does include intelligence and security, but its effectiveness has varied.
It has been suggested that rather than a regular House of Commons or Senate Committee, Canada should follow the Westminster practice and institute a Committee of Parliamentarians. Such a committee would not have the regular powers of a House of Commons Committee, and would be advisory to the Prime Minister. While this might make the intelligence community more comfortable, it would have less potential to provide comprehensive community oversight.

As it is currently constituted, the oversight regime reinforces the separateness of community agencies, and makes it more difficult to debate the overall effectiveness of Canada’s security and intelligence investment. There is no cabinet committee dedicated exclusively to S&I questions; there is no parliamentary oversight mechanism which can consistently monitor the community; and, the bureaucratic oversight has been built through agency-specific mechanisms. We have not had cabinet ministers with a special interest and expertise in intelligence. Where then, could a debate take place on whether the community as a whole is integrated, efficient, competent, and respectful of all the explicit and implicit controls to which it is subject?

Such a place should exist, but there are clearly problems in adding a system oversight capacity if individual agency oversight organizations remain. There would be a confusion of mandates, and the agencies themselves would have to spend a greater amount of time as witnesses rather than fulfilling their basic mandates.

As noted above, one significant improvement has taken place, and that is the appointment of a dedicated National Security Advisor, who does not have other responsibilities. Pairing this position with that of Associate Clerk, traditionally a separate and extremely important post within PCO, divided the focus of the incumbent.

The Major Report on Air India suggested that there be a National Security Advisor with broad coordination powers, and a Deputy National Security Advisor.\textsuperscript{12} The NSA would have a role in sorting out disagreements over the sharing of evidence between the RCMP and CSIS. Furthermore the NSA would have a secretariat to help with this and other responsibilities.

The community will expect the NSA to perform coordination functions similar to those described in the report, and the current Security and Intelligence Secretariat in PCO will continue to provide the staff support for the NSA. However, it is unlikely there will be any enthusiasm for having the NSA step into the discussions on sharing evidence. Both the RCMP and CSIS are both already within the Department of Public Safety, which is now better resourced to participate in such discussions, and look for solutions for specific problems.

The overall significance of the appointment of a full-time NSA is far greater than those outside the system are likely to realize. There is now a senior official with the time to thoroughly master all elements of the security and intelligence system, determine where and how the coordination mechanisms need to change, and liaise with Canada’s allies to build the kind of long-term personal relationships that are peculiarly useful in this domain. He may even be able to persuade the Prime Minister and other cabinet ministers that a greater degree of direct cabinet oversight of the intelligence and security community is healthy and necessary.

**Outstanding Issues**

The Canadian security and intelligence Community, because of new challenges and new resources, has changed appreciably since September 11, 2001. There are many areas in which we can expect further change—or at least debate.

As noted above, senior political direction of the Canadian community is not as developed in Canada as it is with our Five Eyes partners. At the cabinet level relatively little attention has been spent on oversight of the community. Effective supervision requires cabinet ministers with a long association with security and intelligence issues, and this will happen best if there is an active, dedicated, security and intelligence cabinet committee.

Community coordination in the sense of harmonious cooperation among key players has also improved, but with more time and maturity we should see a more established set of committees and operating procedures, so that the way in which the community operates is stable over time, subject to incremental improvements.
A coherent oversight regime would encourage a coherent community, since the emphasis will be more on how the whole functions, rather than just the parts. Since it is unlikely that Security Intelligence Review Committee, the CSIS Inspector General, the CSE Commissioner or the Commission for Public Complaints Against the RCMP will be abolished in favour of a unified structure, the only likely possibility is a parliamentary committee. Added to the existing agencies, such a committee, likely active and reluctant to be constrained by secrecy, would be a burden on the community’s resources.

An active cabinet committee might be an alternative to an active parliamentary committee, but in reality the former may provoke the latter, by introducing more political decision-making, which could then be examined by parliamentarians.

This dilemma is likely to remain unresolved until the need for coherent review is recognized by a demonstrable failure. An ideal solution would be the consolidation of the review function on the agencies side, with the advent of effective committee review at the parliamentary level.

A National Security Statement was produced in 2004, but we have not yet in Canada produced the comprehensive type of document published in the United States and the United Kingdom setting out a longer-term strategic vision. A regularization of the practice of issuing such a statement, on a regular if not yearly basis, could be another element in building community cohesion by emphasizing overall objectives and priorities.

The absence from the Canadian community of a dedicated HUMINT foreign intelligence agency has long been the subject of criticism and debate. The role has now effectively gone to CSIS, with supporting resources. The Security Intelligence Review Committee has questioned whether the CSIS legislative mandate supports this enhanced intelligence gathering role. Even if SIRC persists in this criticism it is unlikely there will be a change unless legal challenges, or an intelligence failure, forces reconsideration. Absorbing this role into CSIS’s security intelligence mandate is arguably the most cost-effective solution for Canada. The question for the future is whether CSIS can successfully achieve excellence in two very different intelligence domains.
The Air India inquiry highlighted the many issues which need to be resolved so that the roles of the RCMP and CSIS mesh smoothly. This will be the subject of continuing debate and work within government, and another factor in the longer term debate around the dual role of the RCMP as a federal police force, and a contract provider of very local police services.

While it is too early to predict the results of the appointment of a National Security Advisor with no other bureaucratic mandates, this is a very important step. A dedicated NSA, able to study the system in detail, consult with members of the community, and spend time with allies learning the detailed mechanisms of their systems, may be capable of driving systemic change.

Conclusion

Security and Intelligence systems are complex, and the moving parts, threats and opportunities, are seldom all visible simultaneously. This makes them difficult to improve, because their faults may only appear during a crisis. Learning and improvement are therefore slow. Canada’s system has received an enormous increase in funding, and a correspondingly greater place in domestic security and foreign policy decision-making. Just as the intelligence agencies of our allies have matured over time, the Canadian community will develop and improve with time and experience. Much has been achieved as a result of new resources and expectations after 9/11; the building of an efficient, reliable and recognized community capability will be the on-going work of the coming decade—and more.