

*Private Members' Business*

It is estimated that by 1944 there were about 45 employees in the examination unit among whom were some very specialized people capable of thinking and communicating in what we call ciphers and codes.

In April 1975 control and supervision of the Communications Security Establishment was transferred by an order in council under the Public Service Rearrangement and Transfer Duties Act from the National Research Council to the Department of National Defence.

The CSE was officially acknowledged finally by the Canadian government, as I understand it for the first time, when on September 22, 1983 the Hon. Jean-Luc Pepin, then Minister of State for External Relations, stated in the House:

The Communications Security Establishment advises on, and provides the means of ensuring the security of federal government communications. It also provides, with the support of the Canadian Forces Supplementary Radio System, a service of signals intelligence in support of Canada's foreign and defence policies. I should explain that "signals intelligence" is the term given to information gathered about foreign countries by intercepting and studying their radio, radar and other electronic transmissions.

What about the budget of CSE? How much money does it spend? Actually we in Parliament who authorize expenditures for all government spending do not know because we have never been told. The question has been asked but it has never been answered.

However in 1991 it was estimated by a journalist who was well schooled on the issue—he did a lot of research and published a series of articles in the Toronto *Globe and Mail*—that the budget in 1991 was about \$100 million to \$125 million and that CSE employed about 800 persons.

As an aside here, what I know as a member of Parliament on the subject has come from a journalist. It has not come from questioning in parliamentary committees or in the House. We cannot find out here. In order to find this out I had to buy a copy of the *Globe and Mail*. That should say something about the process.

• (1820)

What does CSE do in its functions? We should look at that a little more closely but not too closely. CSE has a two-part mandate: first, the collection of signals intelligence on the diplomatic, military, economic, security and commercial activities, the intentions and capabilities of foreign governments, individuals and corporations. Second, it consults on the security of the communications of the Government of Canada.

We are led to believe that it is good at both tasks. The first part of the mandate is the signals intelligence program, the gathering of signals and their analysis, decoding analysis and analysis of the data. CSE with the support of the Canadian forces supplementary radio system collects, studies and reports on foreign

radio, foreign radar, and other foreign electronic signals emissions to provide foreign intelligence to our government. As we will see later, some intelligence data can be and are shared from time to time with other governments.

CSE maintains signals interception facilities in several locations around the world. It uses a set of sophisticated technologies to decode and interpret. It uses leading edge induction technologies that permit it to read what is on a computer screen from a remote location. It uses voice recognition technologies and key word technologies which, with the assistance of sophisticated computers, are able to analyse and retrieve data on subjects and persons.

Presumably it intercepts signals to and from locations all over the world. At least it has the ability to do so. One would presume that it is capable of and does intercept signals sent from Canada to other parts of the world and from other parts of the world to Canada.

I do not read through that list to alarm anyone. It should not be a surprise to any member. These technologies and these functions are routinely used by most industrial countries in their gathering of foreign intelligence. I wanted to put on record that these technologies are out there and we are using them in foreign intelligence gathering functions.

What is the chain of command for CSE? Who is in charge? Who does it report to? I guess it is a bit of a puzzle but fortunately CSE through its executive and the government has been fairly forthright on that issue. It has done it over the last few years. It has not hidden it at all.

The Minister of National Defence is accountable to Parliament for the spending of CSE. The minister approves CSE's major capital expenditures, its annual multi-year operation plan, and with the cabinet committee on security and intelligence the major CSE initiatives with significant policy or legal implications.

The chief of CSE is accountable to the Minister of National Defence for financial and administrative matters but to the deputy clerk of security and intelligence in the Privy Council office for policy and operational matters. There is a two-headed management structure in place here. One is the Department of National Defence through the minister and the other is the Privy Council office, the head of which is the clerk and the political head of which is the Prime Minister.

I would note as well that the major client of CSE is the Department of Foreign Affairs and International Trade, being the major consumer of foreign intelligence data. In addition we are told in Parliament that arrangements have been put in place to ensure that CSE responds to the government's foreign intelligence requirements in a manner that is lawful, effective and sensitive to changes in international relationships.