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Foreign spy agency eyed
Jim Brown

OTTAWA (CP) -- Canada has to think about setting up an international spy agency in light of the new global terrorist threat, says Foreign Affairs Minister John Manley.

"We haven't accepted having an agency for international intelligence until now," he told a news conference Friday.

"That's the decision that was taken (in the past.) We have to consider the question in the context that exists now."

Manley also delivered a broader warning that Canada will have to pay the financial price -- in terms of defence and foreign aid as well as intelligence -- if it wants to play a significant role in world affairs following the terrorist attacks in New York and Washington.

"A lot of things changed on Sept. 11," he said.

"One of those is that the burden that we are going to be asked to bear internationally is going to become greater. We are not going to have the option -- if we intend to play the influential role that we have in the past and that we have a reputation for -- without shouldering that burden."

The question of a foreign spy agency has been debated by academics and policy-makers in Ottawa for years.

The current Canadian Security Intelligence Service is essentially a defensive counter-espionage and counter-terrorist agency. It operates almost entirely within Canada, although it does have limited authority to work overseas -- as long as the work is aimed at countering a specific threat to Canada.

CSIS does not routinely mount covert operations abroad, run networks of informants in foreign countries or vacuum up and analyse information in the manner of the American CIA or the British MI-6.

Solicitor General Lawrence MacAulay played down any suggestion that the absence of a foreign espionage service has put the country at risk.

"CSIS has the mandate to investigate anything that threatens the security of Canada inside or outside of this country," he insisted outside the Commons.

MacAulay acknowledged, however, that "after Sept. 11 everything is on the table."

Skeptics note the CIA, with much greater resources than Canada would be able to mobilize, was unable to predict the New York and Washington attacks.

But Manley said that's just one more reason to rethink the whole field as Canadians try to learn from American mistakes.

"Clearly their analysis of the failure (in the U.S.) is going to help give us some indication of what steps we may need to take," he said.

On the subject of foreign aid, Manley said Canada's performance is "not bad" and is greater per capita than some countries, including the United States. But a greater effort will be needed, he added.

Canadian aid currently amounts to 0.25 per cent of the country's total economic output, far short of the 0.7 per cent the Liberal government promised to aim for.

The military budget is another area under scrutiny by a special cabinet committee, chaired by Manley, to review all aspects of national security.

Defence Minister Art Eggleton avoided specifics Friday after an appearance at the Commons finance committee.

"I believe we're going to need more money, but how much it is we can't put a finger on at this point," he said. "I have lots of ideas but they are all still in development stages. There is no quick fix to this."

The defence budget for the current fiscal year is \$11.2 billion, roughly the same as 10 years ago. The effective strength of the Canadian Forces is about 55,000, down from 85,000 a decade ago.

Canadian Alliance Leader Stockwell Day tried to capitalize on Manley's comments by suggesting they are veiled confirmation of his own claim that Prime Minister Jean Chretien has not done enough to strengthen military and security policy.

"I'm glad to see at least one Liberal admitting it," said Day.

Conservative Leader Joe Clark said a greater effort on all fronts -- defence, foreign aid and intelligence -- is needed to maintain the country's international standing.

"I don't think Canada has the same influence as previously," he said. "The Canadian government seems ready to accept a secondary role. That's clear in comparing the role of (British Prime Minister Tony) Blair and Mr. Chretien in the present crisis."

Meanwhile, Manley denied that his outspoken stance is related to a personal ambition to succeed Chretien when he steps down as Liberal leader.

"It has nothing to do with positioning for anything," he said.