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## H-Diplo | ISSF Article Review 39

**Stuart Farson and Nancy Teeple. "Increasing Canadian Foreign Intelligence Capability: Is it a Dead Issue?"** *Intelligence and National Security* 30:1 (2015): 47-76. DOI: 10.1080/02684527.2014.961243. <http://dx.doi.org/10.1080/02684527.2014.961243>

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Stuart Farson and Nancy Teeple identify an interesting puzzle in the history of Canadian public policy. Why, in spite of several periods of open reflection about the matter, does the federal government eschew the setting up of a foreign intelligence service? The idea of foreign intelligence gathering came in and out of Canadian dialogue at each of the following times: while still in the era of the British Empire, around 1905; in the immediate aftermath of World War II during 1945; as a by-product of the McDonald Commission in 1981; in relation to the Special Committee in 1989; and as part of the Tory election manifesto of 2006 (48, 49, 52, 54).

Through a review of the salient historical points, Farson and Teeple develop an explanation for why the result, in every instance, was to postpone development of foreign intelligence indefinitely. To begin, they observe that the western allies had a common *military* cause in World War II, but that they clearly possessed more diverse political and economic intelligence goals after victory (50).<sup>1</sup> As a result, Canada and some of its

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<sup>1</sup> The focus of the ensuing discussion will be on the more fully independent era of Canadian foreign policy, that is, onward from the transition out of the British Empire into the Commonwealth after World War II.

closest allies went in different directions vis-à-vis development of overseas intelligence capabilities; the U.S., specifically, became highly active through creation of the Central Intelligence Agency (CIA) in the National Security Act of 1947. In the decades that followed, absence of natural enemies in its region caused Ottawa to put the idea of a Canadian opposite number to the CIA on hold (55, 57). Moreover, observers asked how much more intelligence “would come Canada’s way if it contributed more to the common pool?” (51). This question naturally referred to what, if anything, of significance could be added to the comparatively vast supply of intelligence that was already provided by the US in particular.

With the McDonald Commission, Ottawa returned near the outset of the 1980s to the issue of foreign intelligence gathering. Skepticism about the difference between offensive versus defensive intelligence played a significant role in once again pushing the idea of a foreign intelligence agency onto the back burner (50). At the end of the 1980s, a Special Committee reviewed the *Canadian Security Intelligence Service (CSIS) Act*. Ottawa had taken a significant step with creation of CSIS, but this entity had no mandate beyond Canadian borders. In a move that reflected the existing pattern of deliberation followed by procrastination, the Special Committee called for further study with respect to the potential need for the federal government to gather foreign intelligence (52). The issue stayed dormant until it briefly came back into prominence with the Tory election victory of 2006. With burdens imposed by the military role in Afghanistan rising on the agenda, however, the Harper government put the idea of a foreign intelligence entity back in the political closet, where it remains to this day.

From the standpoint of Farson and Teeple, recurrent inaction regarding a foreign intelligence service reflects failure by its protagonists to connect vital interests to intelligence requirements (74). This certainly is the bottom line in each episode – perhaps best viewed as the final domino to topple over in all instances of rejection. Other dominoes, however, can be identified as falling over in ways that make rejection, followed by a promise to continue thinking about the matter, as the likely historical pattern.

Consider, in terms of causal mechanisms, the forces in operation across the conventional levels of analysis in international politics – the individual, state and system.<sup>2</sup> These forces combine to create a very likely outcome of inaction with respect to any significant movement by Ottawa in the direction of self-provided foreign intelligence. Those in favor of a foreign intelligence service would have had a steep hill to climb on any occasion, as will become apparent.

With regard to the international level, Canada emerged from World War II with a temporarily very high ranking in terms of national power. Other normally much greater powers had been reduced to shambles, with the U.S. towering over the world across all dimensions of capability in 1945. As a NATO member and participant in the global U.S.-led coalition against communism, Canada gradually, and perhaps naturally, evolved into a reliable but relatively modest contributor in terms of security-related allocations. This did not go without notice and even some unflattering pronouncements from Washington, DC. In the domain of foreign intelligence, for instance, Canada was “coined as a ‘freeloader’” by the U.S. and regarded as a consumer rather than producer (60, 70). Given the natural tendencies identified in the economics of military spending toward suboptimal allocations – and even free riding – among smaller members of a diverse alliance

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<sup>2</sup> Kenneth N. Waltz, *Man, the State and War: A Theoretical Analysis* (New York, NY: Columbia University Press, 1959).

such as NATO, sustained Canadian restraint in expenditures is hardly a surprising story.<sup>3</sup> Foreign intelligence, with its potential to be regarded as aggressive in intent, became subject to maximum free riding within the domain of security expenditures for Canada.

Consider the national level. While Canada and the U.S. share many common values, cultural differences exist and can impact significantly on policy outcomes. (It has been noted by many observers that Americans tend to understate, and Canadians tend to overstate, respectively, the differences between the two countries.) A significant difference in attitudes toward gun control is one prominent example of how Canada and the U.S. are not the same in terms of values. A parallel difference, most notable in foreign policy, concerns the disposition toward use of military force. For many decades on end, Canadians – and especially those in the secession-prone province of Quebec – tended to oppose military deployments abroad.<sup>4</sup> Canadian political culture tended to inhibit governments that might contemplate the use of force and instead created a frequently stated disposition toward peacekeeping as the preferred approach to conflict management. Public suspicion about all things military, moreover, reinforced concerns about foreign intelligence as being a more naturally offensive than defensive activity.

Individual leaders tended to reflect (a) the Canadian role as a lesser military power within the western coalition and (b) a society with increasing reluctance to use force abroad. Long-serving Liberal prime ministers such as Pierre Trudeau and Jean Chrétien certainly fit that description and their presence, to some degree, reflected society's overall preference against a military-oriented foreign policy. Add to that significant doses of anti-Americanism as a political tactic on the part of these leaders and the likelihood of any CIA-like entity coming into being remained low at all times. In a touch of irony, the steepest decline in Canadian military spending correlated approximately with the Conservative era under Brian Mulroney, which featured an electoral coalition with a crucial phalanx of support in Quebec. Mulroney, from Quebec himself, exhibited the same anti-military spending disposition as those who came before and after him. Thus, at the individual level, Canada had long-serving prime ministers who both reflected and reinforced tendencies away from military allocations, with foreign intelligence perhaps seen as the leading edge of something that could put the country on the path toward a more U.S.-style approach to the outside world.

Now the set of dominoes is in place. Farson and Teeple identify the last one, which topples most visibly: an inability on the part of advocates to 'sell' the need for Canadian foreign intelligence gathering. But surely other dominoes set this one up for the fall on each occasion. At the level of the international system, free riding came about naturally and included foreign intelligence as a military-oriented type of spending to be avoided. National culture, at the next level down from the international system, made the creation of a foreign intelligence agency unlikely for Canada at any given time. Finally, rather than going against the preferences of a society that had rejected policies such as foreign-intelligence gathering, the longest-serving

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<sup>3</sup> The vast literature on alliances is beyond even a summary here, but the research program on expenditures and free-rider effects begins with Mancur Olson and Richard J. Zeckhauser, Jr., "An Economic Theory of Alliances," *Review of Economics and Statistics* 48(3) (1966): 266-279.

<sup>4</sup> This tendency toward pacifism and even hostility to the Canadian Forces reached its apogee during the Chrétien years; see Patrick James, *Canada and Conflict* (Toronto: Oxford University Press, 2012).

and most influential Canadian prime ministers tended to reflect the views of the majority of their constituents.

With reference to a “working hypothesis,” Farson and Teeple assert that either external or internal forces are likely to bring the issue of a foreign intelligence service up again (73). They do not predict the outcome for when the time comes, but it is reasonable to infer from the history described in their article that the answer once again is likely to be ‘no.’ Moreover, the refusal probably will be accompanied by some type of statement that further review is needed. All of this makes sense in terms of the “two-level game concept,” in which leaders attempt to locate and implement a policy that is viable simultaneously at home and abroad.<sup>5</sup> The ‘not now, but we will keep thinking about it’ answer, which Canada keeps providing when the question of a foreign intelligence capability comes up, is exactly what makes sense when playing a two-level game. On the one hand, the policy is consistent with forces impacting Canada across levels of analysis that point away from a foreign-intelligence capability. On the other hand, the one significant countervailing force – the United States’s desire for less free riding among its coalition members – demands at least an expression of openness from Canada to the idea of helping out in the domain of foreign-intelligence gathering.

Canada is likely to continue its mode of operation with regard to foreign intelligence. Even the rise of a more pro-military prime minister in Stephen Harper could not fully compensate for the longstanding anti-foreign intelligence gathering forces at the national level in particular. Harper had only so much political capital to invest in a resurrected military, so he elected to put that into an active role in the Afghan War. Efforts there helped to maintain solidarity with the U.S., while not going too much in the direction of a militarized foreign policy. And in that sense, the creation of a foreign intelligence service would have been a bridge too far.

Farson and Teeple have produced a fascinating analytical treatment of the longstanding absence of a foreign intelligence service in Canada, a state with the capability to have acted otherwise. Other components of their article, such as the four models for foreign intelligence using human sources (68-73), also are worthy of discussion but lie beyond the scope of this review.

Noteworthy in particular is the timing of Farson and Teeple’s exposition in relation to a range of rising issues.

Farson and Teeple have put forward their argument near the entry point into the era of full-fledged cyber-insecurity. Where does the cyber world, viewed in the context of their discussion, fit into intelligence gathering? Is it foreign, domestic, or something that transcends any such labeling?

Farson and Teeple also have offered their assessment at a time when concerns are rising about Arctic sovereignty, notably in relation to climate change and the potential opening of waterways. How much longer will Canada, which is to some degree a competitor of the U.S. for control over the Arctic, continue to rely so heavily on Washington for intelligence about the far north?

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<sup>5</sup> Robert D. Putnam, “Diplomacy and Domestic Politics: The Logic of Two-Level Games,” *International Organization* 42(3) (1988): 427-460.

After 9/11, it is fair to say that Canada is also in the early years of consciousness about a difficult and confusing struggle with religiously motivated terrorists. Even 'home grown' terrorists are connected with information from outside of Canada.

Consideration of the preceding issues is beyond the scope of the present exposition, but these factors – cyber-insecurity, Arctic sovereignty, and terrorism – may cause the issue of foreign intelligence gathering to come back onto the agenda in a very intense way for Canada. In closing, certainly Farson and Teeple are to be credited with stimulating any number of interesting queries among their readers.

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