POLICY INSIGHTS

PIF REPORT

October 2026

Number 4 | Volume 1

Thinking About A Canadian Espionage Agency

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Acknowledgments

This publication was written by Col. (Retired) Geoffrey St. John and Alan Barnes. Geoffrey served nearly 40 years with the Canadian Armed Forces and Department of National Defence, including senior intelligence roles. Alan served over 25 years in the Canadian intelligence community, including senior roles with the Canadian Forces Intelligence Branch and Privy Council Office.

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Table of Contents



About the Policy Insights Forum I
Acknowledgments I
Research Integrity I
Disclaimer I
Copyright I
Limited Print and Electronic Distribution Rights I
About the PIF Papers II
À propos des Études IP II
Introduction 4
Part I – What Does an Espionage Agency Really Do? 5
What Is Espionage? 5
So What? 6
How Espionage Is Really Done 6
Agent Motivations 7
Espionage Tactics 8
Principal Agents 8
Paying the Agent 9
The Officer-Agent Relationship 9
Qualities of Intelligence Officers 10
It's All Up to the Intelligence Officer on the Front Line 10
Espionage Is a Slow Business 10
Fides et Veritas 11
Cover and Basing 11
What is Espionage For, Anyway? 13
Where Espionage Reports Should Go 13
The Last Resort 14
The Payoff of Espionage 14
Priorities and Tasking 15
Strategic Targets, Small Agencies—and Political Grit 15
Other Possible Functions of an Espionage Agency 16
Espionage Is Hard 17





Part II - What to Think About Before Creating an Espionage Agency 18
What Purpose Would It Serve? 18
The Bogus Arguments For and Against an Espionage Agency 19
The Special Case of Economic Espionage 20
Information Sovereignty 21
Risks 21
Relations with Allies 22
A Vexing Question: Where in Government Would a Canadian Espionage Agency Fit? 23
Global Affairs 23
Privy Council Office 23
National Defence 24
An Espionage Mandate for CSIS? 24
Management of the Agency 26
New Legislation 26
Legal Considerations 27
Review Mechanism 27
Cost 27
Influence Operations 28
How Long Would It Take to Become Effective? 28
Talking to the Allies 29
If Done, It Needs to be Done Right 29
The Last Word 29
References 30
Author Biographies 31

Introduction

Canada faces many challenges in a new, more threatening world. One possible response is for Canada to create its own espionage agency to collect intelligence abroad. But much of the public discussion of this subject has been biased, largely making one-sided arguments pro or con. We reject such polemics.

In this paper we identify relevant issues that Canadian politicians, officials and interested members of the public need to consider in thinking about this subject. Part I describes in broad terms what an espionage agency is for and how it carries out its business. In Part II we address factors specifically dealing with Canada's situation that should be properly evaluated when considering whether to create a Canadian agency.

There is no obvious answer to this question. It will ultimately depend on the weight readers assign to the factors we describe. The two authors differ fundamentally on the potential value of a Canadian espionage agency. One feels that, if (but only if) it does the job well, it might reveal some critical enemy secrets that make the espionage worth the costs and risks. The other believes that Canada has not identified any crucial intelligence requirements that can only be addressed through the clandestine collection of human intelligence abroad and at an acceptable cost and degree of risk. Our aim is to present these factors dispassionately to inform the public debate on this important matter.

The role of a Canadian espionage agency would be to collect information abroad using human sources to inform our foreign and defence policy decisions. We do not discuss the related role of collecting information concerning Canadian domestic security—such as terrorism, foreign influence, etc.—since the Canadian Security Intelligence Service (CSIS) already has the authority to collect such information overseas as well as in Canada. Any collection of security intelligence that CSIS may conduct abroad, such as through liaison with foreign security services, is distinct from the kind of espionage supporting Canada's foreign and defence policies which we describe in this article.

Part I – What Does an Espionage Agency Really Do?

Virtually no Canadian knows how espionage is actually done. Romantic, facile notions predominate. Those bemused—or deceived—by the fictions of page and screen would benefit by learning how espionage is really done.

This Part describes how espionage works. Our comments are based on the works listed under References at the end of the paper, which deserve a close reading by officials considering a Canadian agency.

While some espionage specifics, such as a country's actual espionage targets, must be classified, almost everything one needs to know about how an espionage organization works can be derived from these unclassified references. Any decision about creating an espionage agency needs no secret information, other than confidential advice from close allies about the value they get from espionage, with examples.

For brevity, we don't address the mechanics of espionage—dead drops, safe houses, and the like—or focus on its technological aspects.

What Is Espionage?

Espionage is often equated with secret intelligence gathering writ large. But the field of secret intelligence collection is much broader: it includes signals intelligence (sigint)—the interception and deciphering of encrypted enemy communications and the targeting of computer systems—and imagery intelligence (imint)—such as photography of enemy military activity on earth by a spy satellite.

We define espionage as clandestine information collection by humans—one form of human intelligence, or humint. Clandestine means both the collection and the collector's identity remain concealed from the victim. Readers should note there are other ways of collecting humint. An embassy diplomat gets humint from, for example, the host nation's foreign ministry officials and other contacts. Soldiers get humint by questioning enemy prisoners of war. These aren't clandestine collection.

A simple alliteration captures espionage's essence: "spies secretly stealing secrets." Those whom intelligence professionals call 'agents' do the actual information collection, i.e. the spying. Although a 'secret agent' in popular parlance is a Briton of the UK Secret Intelligence Service (SIS, or MI6) or an American CIA officer, for professionals agents are foreigners recruited to spy. A CIA agent is thus, for example, a Russian or Iranian, not an American. CIA and MI6 refer to their espionage personnel as 'intelligence officers', not 'agents.' Readers are warned to keep this in mind when reading about espionage, including this paper.

Agents collect information secretly, without the knowledge of the foreign authorities who own it. Agents, by virtue of their trusted positions, have access to that information. The information collected belongs to another country, so, in fact, espionage means stealing it. And agents are not tasked to gather information available on the internet or from a library. Rather, they steal what is not publicly available, i.e. a target country's secret information.

So What?

Espionage involves hostile, illegal (in the laws of the country being spied upon) and undercover acts to learn that not otherwise knowable. The fact that agents are breaking the law of the country where they are operating is an inescapable characteristic of espionage. Note that espionage is not illegal under international law, just under the domestic laws of state being spied upon.

How Espionage Is Really Done

Ninety-nine percent of all espionage fiction is pure junk. Only a few fictional works have any merit. Those of John le Carré are the best examples, but professionals have even found fault with some of his characterizations of espionage. Ian Fleming's Agent 007 exploits are pure fantasy. Bond films are not documentaries.

Imagine you run an espionage agency tasked with finding out what senior generals say about invading a neighbouring country. In the Hollywood version, one of your intelligence officers would infiltrate the meeting and report what was said. This is rank nonsense. The obstacles are insurmountable. Even if an officer with the right background and language fluency could be found, and even if she could find a way to get into meeting, she would be instantly recognized as a fraud.

No, much, much better to have one of the generals tell you what was said. Far better to suborn one of them, or perhaps the notetaker, or an official who gets the meeting minutes, to learn what transpired.

'Secret agents' don't stage commando raids on top secret facilities in the enemy's capital. There is no need for complex, foolish, dangerous plots, or cover stories, or disguises. Espionage is, in fact, an inside job. Done right, it is an ongoing operation, unlike violent 'one-and-done hits.'

The first step of espionage, once a requirement has been levied, is to determine where the secret information is. On paper locked in safe? On a computer hard drive? In which office or offices? Or in an enemy leader's head? The answer is rarely obvious. Considerable time and research effort is required to find out.

Next is to find a potential agent. His most important qualification is access to the information sought. Without that access, it is irrelevant how clever or careful he is. Identifying possible agents is lengthy, painstaking work. Some spying is necessary just to craft a list of them.

When a potential agent is identified, it is necessary to determine his point of vulnerability. Is he excessively fond of money? Is he carrying on an extramarital affair? Is he a debt-ridden gambling addict? Has he been denied what (he believes, at least) is a well-deserved promotion? Is he a very lonely person? Finding any vulnerability requires highly intrusive surveillance of the person. It is time-consuming and difficult, and must be done without him realizing it. Or, worse, his country's security authorities becoming aware.

Assume success in finding a weakness; after all, most people have at least one. Next, the intelligence officer arranges an encounter with the potential agent. The encounter may have to be remote, but face-to-face is much to be preferred, since facial expression, tone of voice and body language are such important kinds of communication. The officer over time carefully works her way into the confidence of the intended agent, and manipulates him to reveal his weakness(es) to her. To learn this, it is usually necessary for her to convince the potential agent that she is his friend. The officer may well portray herself as being, say, a businesswoman from a country other than her

actual one. This is called 'false-flag.' False-flags are probably the rule, not the exception, in espionage. The officer plays on the weakness(es) to press the intended agent to provide some sort of inside information. Usually this will be something innocuous, like a list of the generals who met. The officer thus gradually and gently 'stretches,' so to speak, the potential agent's conscience. He accedes to this request, and so becomes an agent. Development and recruitment can take months or even years.

A lengthy development is not always necessary; there are exceptions. Kim Philby, later to become a senior British intelligence officer and simultaneously an agent of the Soviet Union, was recruited at his first meeting with a Soviet spymaster Arnold Deutsch on a London park bench. But Philby was already a committed Communist, and had been recommended to be an agent by another, trusted, Communist, so Deutsch was pushing on an open door.

Agent Motivations

Agents usually have several motivations for providing information, though one may predominate. The main motives are: money; ideology; compromise; ego; revenge; and, friendship. These are not unique to the spy business. These motives are what propel all human beings to do what they do in their daily lives; only sex is missing from this list.

Money is for some the principal motive. In some cases the money, or some portion thereof, is banked for the day the agent chooses to stop spying and instead defect. Care must be taken by the intelligence officer to not give the agent too much money before he flees, lest the agent live a lifestyle beyond the means of his government salary, and so come to the unwanted attention of his country's security organization. In any case, she wants her agent to remain in place and so continue to hand over secrets; that being so, the espionage agency must ensure that not too much money is banked abroad, since it will be an inducement for the agent to quit the field.

Ideology, either an affinity with a foreign one, or disgust with his own country's, impels some. Some of the best agents of the West in the last century were motivated by deep aversion to their country's ideology, in particular that of the Soviet Union.

A potential agent may be subject to blackmail or other pressure; such a person is compromised. He may, for example, be engaged in an extramarital affair that he will do pretty much anything to prevent his spouse from learning about.

Crude blackmail is part of the modus operandi of the Russian intelligence organizations in particular. "Spy for us, or we will tell your spouse about your affair." Some people would rather confess their waywardness than submit to brutal blackmail. Even if he agrees to spy, he will likely turn over as little as possible. Those who imagine such crudeness as the only course open suffer from a poverty of imagination. There are other ways to blackmail or pressure a potential agent. Rather than relying on a crude approach, the officer contrives to put the intended agent into an invidious position—without the latter's knowledge, of course—and then, posing as a 'friend,' gets him out of the jam. The latter is then seriously beholden to the officer, oblivious to the fact he has been set up.

Some authoritarian regimes do not hesitate to use other means to pressure potential agents to provide information. For example, it might say to one of its citizens working abroad in a sensitive area—say in a scientific or commercial field—"if you are able to provide information we can arrange for your nephew to get an important promotion at the state-owned business where he works," or conversely "if you don't provide information your aunt is likely to lose her teaching job." The pressure can be subtle, possibly reinforced by an appeal to the potential

agent's patriotism towards his home country.

Ego–a desire for recognition, a starring role in his own secret pièce de théâtre, a belief that his spying will change the world—drives some agents. Ego probably plays a bigger role in espionage than is usually believed.

A desire for revenge can be a powerful drug. The potential agent, perhaps a member of a less-favoured minority group, may consider he has been denied a well-deserved promotion. Frustrated, he then offers to spy for another country.

Finally, friendship. Some people are in fact desperately lonely. While, as agents, they will likely have several motives for spying of varying intensities, the simple desire for human warmth, if that is lacking in their lives, may be the most important driver.

Whatever the compulsions, what cannot be forgotten is that an agent's motives can change over time. Consequently, the intelligence officer constantly reassesses her agent's reasons for spying, and adjusts her handling of him accordingly.

Espionage Tactics

Espionage tactics are a function of the potential agent's motive, and so can be dealt with briefly. Bribery, when the motive is money. Even when money is less important or absent as a motive, paying the agent means he gets used to the extra cash. That way, if other motives lose force, there is still the 'hook' of money, which the agent will, however imperceptibly, have gotten used to receiving.

Blackmail. An espionage agency should be careful before resorting to blackmail. From a practical point of view, and notwithstanding a number of Soviet successes, crude blackmail can't be relied upon to work very often. Espionage agencies of liberal democracies must consider the moral aspect of both crude blackmail, as well as the kind of sophisticated blackmail referred to above.

Deception, such as a false-flag approach, is pretty much necessary in any espionage operation. The intelligence officer usually has to convince the agent of something that is simply not true.

Psychological and emotional manipulation of the agent is normally an essential tactic of espionage. It can only be avoided when the agent volunteers himself to spy. But espionage officers must continually assess their agents for signs that their motivations change, necessitating change in the officers' tactics.

Principal Agents

In many cases, the difficulty of an espionage officer gaining direct access to a potential agent means that espionage agencies have to employ what are called principal agents.

The principal agent is a citizen of the target country. He may run a private business, like a travel agency; whatever the case, he goes nowhere near a government job requiring him to have a security clearance, so he never draws the unwanted attention of the target country's security service. He is chosen for his ability to meet the potential agent in a perfectly aboveboard manner, and do so periodically. Perhaps the potential agent is a photography buff, and the principal the owner of a photographic equipment store. The principal is responsible for developing and

recruiting the potential agent. And the principal is chosen partly on the basis that he can freely travel outside the target country, and so meet secretly with an intelligence officer while travelling. In most cases, the recruitment of the principal will take place in a country other than the target one.

The disadvantage of using principals is that the officer and the agent may never meet, or do so only rarely. The principal is an additional link in the espionage chain, and thus potentially a weak link. And not only does the espionage agency have to identify potential agents, but it also has to come up with potential principals as well.

Paying the Agent

Agents frequently work for money, whatever their other motives. It follows that the intelligence officer pays for the secret information provided by the agent. The more information provided, the more money the agent gets. The better the information, the more money the agent gets. Correct?

Dead wrong. The officer buys the man, not his information. The officer provides a salary, not money for each tranche of information. The officer pays the agent a regular salary to turn over whatever the latter can collect, and pays the salary even if the agent cannot provide any information in that period.

Doing it this way is psychologically far better. If the agent is paid based on the reports he makes, he may well try to withhold information in an effort to get the officer to pay a bonus for especially good stuff. The officer must hold firm and remind the agent of the deal–a salary for whatever the agent can get. The officer makes it plain: the agent's salary will go up provided he delivers the goods from time to time. The agent is thus considerably less likely to invent information in order to receive an extra payment. And the agent is less likely to take risky chances to steal information.

The Officer-Agent Relationship

It is vitally important that the officer-agent relationship be a good one. The agent must like and trust her. The agent cannot feel resentful, put upon, or 'handled' by her; but—of course—the officer seeks most assuredly to handle him. The officer will do what she can to salve the agent's conscience, perhaps by convincing him that his spying is, in fact, in the best interests of his country. Given the capacity of most people for self-rationalization–indeed, self-deception–this may be easier to do than one might think. It is necessary that the agent have (at least) an acceptable self-image. He must feel that in breaking faith with his country and colleagues he is betraying something—like a secret nuclear weapons program—that must be betrayed.

Sexual attraction can be a problem if the agent feels the officer has sex (rather than spying) in mind. Female intelligence officers may run into this problem more than the males. The officer may be forced prematurely to make her or his 'pitch' to the potential agent to become a spy, and thus make it clear he or she has no other interest in the agent. Many fictional stories about spying insert the sexual angle for titillation.

But what cannot be denied is that some agents, of robust psychology, seek to manipulate the intelligence officer. And they may in some cases succeed. That does not necessarily imply that they will not deliver the information sought. Rather, they may be able to drive a harder bargain.

Qualities of Intelligence Officers

The intelligence officer has manipulated the intended agent to become a spy by playing on his weakness(es). As one former MI6 officer wrote, "The professional skill of espionage is the exploitation of human weakness." Crucially, though, that is not how the agent perceives what going on if the officer does her job right. She will put the best possible face on the agent's spying.

To the agent, the officer must be more than an acquaintance. She is a confidant, a protector, even a soul mate in the agent's eyes. Officers must have a superior 'emotional quotient,' and a capacity to 'read' people in real time. But no matter how the officer feels about the agent, she must still manipulate him into spying for her. Of course she will seek to convince him that his security is paramount, that his well-being comes first. But the real priority is the secret information she gets from the agent, not the agent's safety.

Still, it must be said that intelligence officers need to have high moral standards. While espionage is not a job for choir boys, nor is it a career for criminals. (And it is certainly not for '007 wannabes.') Officers must be sure that what they do serves the vital interests of their country; anything less is not worth the moral cost to the officer or her country. And they must be assumed to be honest, truthful and possessed of much integrity.

A secret service must be a corps d'élite. Its officers must believe that what they do can only be done by them, that it is a business in which only a select few are capable of doing the job, and then only after very careful selection and tough training. Beaux sabreurs et belles sabreuses, sans peur et sans reproche.

It's All Up to the Intelligence Officer on the Front Line

It should be clear that pretty much everything depends on the judgement of the intelligence officer in the field. It is she, not some official back home in her capital, who must decide whether to try to recruit a potential agent. It is she who must listen to the words and the tone of voice, read the expressions and the body language. Agent recruitment cannot be done remotely. It has to be entirely the officer's decision.

A former CIA espionage officer, Harry Rositzke, is worth quoting: "The lethargy and timidity normal to a civil service ... exact a ... heavy cost in an [espionage] service, whose main business is taking chances based on personal judgement ... [an espionage] service is as good as its agents, and its agents are as good as the competence and initiative of the [intelligence] officer on the spot."

While some secret services may require agents to sign some sort of agreement, or sign a receipt when paid his periodic salary, this shows much too little faith in the honesty and integrity of the intelligence officers on the front line. If the reader agrees with the foregoing—that everything in espionage pretty much depends on the brains and gut feeling of the officer on the front line—is it really too much to ask of her that she be honest as well?

Espionage Is a Slow Business

One thing is plain from the foregoing: espionage takes lots of time; results should not be expected for months, even years (though the espionage agency may get lucky occasionally). So espionage is not a secret CNN. Espionage cannot deliver results literally overnight. Therefore espionage targets must be long-term, strategic ones. And because it takes much time, targets cannot be changed every year or two. To expect results, espionage targets must hold for perhaps a decade or more. This implies that much thought must be devoted to what targets are selected.

Fides et Veritas

Much is sometimes made of the supposed deceitful behaviour of intelligence officers, that they always behave deceitfully. This is highly misleading. In fact, the best are those who are scrupulous about truth-telling to their colleagues and superiors and, above all, to the 'customers' of their espionage reports. Why anyone would imagine that an espionage agency which constantly lied to its political masters would be long tolerated by them is impossible to understand.

Congenital liars cannot be trusted; truth is absolutely vital to espionage. Of course officers must sometimes lie to their agents, for example in a false-flag recruitment. And of course the officer seeks to convince the agent she is his best friend, when she assuredly is not. But in agents' reports to intelligence officers, in the latter's transmission of them to their headquarters, and in the agency's communications to customers, truth must rule. (We are not naïve. When an espionage agency screws up, there will be an all-too-natural bureaucratic impulse to cover up. Government departments are like that. But if the agency is to retain the trust of its political masters, it must eventually confess both the error and the cover-up, since the truth usually has a way of coming out. Better to be honest at the outset.)

Trust and truth, not treachery and lying, are an espionage agency's gold standards. The officer must trust her agent. The agency headquarters must trust the officer. The 'customers' who receive the reports must trust the agency. Political masters must trust the agency and its leaders. And, not least, the public must trust that the espionage agency is committed to doing what must be done, but only in defence of the country's vital interests.

The assumption that intelligence officers routinely betray their agents—if, for example, the agent fails to deliver as many secrets as he is presumed able—is nonsense. In fact, officers are highly protective of their agents and go to great lengths to ensure their security, even sometimes defying the entreaties of their headquarters for more reports from the agent. An espionage agency that develops the reputation for casually betraying its agents will encounter much difficulty in future agent recruitment attempts.

Finally, what is rarely understood is that one other kind of trust must obtain; it is crucial to see this. The superiors of the agent, who is ostensibly a loyal state official, must trust him with many secrets of his country, unaware of course that he is spying for an enemy. It goes without saying that if the agent isn't trusted by his own superiors and colleagues, he is given no access to any secrets, and so is useless as an agent.

None of this should obscure the fact that espionage does involve some deceit and treachery. Intelligence officers frequently lie to their agents, actual and potential. And without the agent's betrayal of his country, there is no espionage to begin with. There can be no denying that there will always be some tension between truth-telling to the officer's superiors and lying to the agent.

Cover and Basing

It is commonly assumed that all intelligence officers work under diplomatic 'cover' at their country's embassies in target countries. To be sure, diplomatic cover has one clear benefit: should the officer be caught in some espionage-related act by the host country security apparatus, she is merely declared persona non grata and told to depart forthwith. (Actually, the officer does run some risk of being roughed up if unmasked.) The agent, of course, is arrested and interrogated, and probably imprisoned if not hanged outright.

A problem arises before that. Most embassies have a limited number of diplomats. The host country security service's job—to find out which diplomat is in fact the intelligence officer—is thus not daunting. They put the all the diplomats under surveillance, and, if the intelligence officer is not exceedingly careful, eventually identify her for who she really is. This is not to say that surveillance, if done properly, is easy and cheap. It is a job for skilled professionals, and, in order to keep 'eyes on the target' at all times, is very manpower-intensive.

The problem for the intelligence officer does not start there. Embassies almost always employ citizens of the host country for a wide range of administrative jobs. Some of these citizens also work for the country's security service, with a remit to, inter alia, identify the intelligence officer. So the intelligence officer has an embassy cover job, like 'Second Commercial Attaché', since she has to appear to all embassy staff as a regular diplomat. This means she has two very busy jobs, diplomat by day and intelligence officer by night. Such onerous demands play havoc with the officer's personal life, to say nothing of the officer's physical and emotional stamina. Moreover, the intelligence officer must know quite a bit about being a commercial attaché. And of course the officer receives only one paycheck. Intelligence officers should be well-paid for this reason alone.

If diplomatic cover is the choice, then another option is to post the intelligence officer, not in the target country, but rather in a third country. So she might try to recruit a Russian oligarch not in Russia, but in (say) Italy. Once the Russian returns home, there is still the problem of communicating with the agent. The intelligence officer can wait for the Russian to travel abroad again, and debrief him then, although that of course slows the operation down.

Diplomatic cover for espionage officers is an option of difficulties. But diplomatic cover is in fact not the only solution: non-official cover (NOC in CIA parlance) is the other option. Rather than posing as a diplomat, the officer assumes the role of, for example, a businesswoman working in a commercial establishment in the target country. Assuming that there are many businesspeople of a given nationality there, the hostile security service's job is much harder. Indeed, its problem is virtually insuperable. It will neither have the manpower necessary to put all foreign businesspeople under surveillance, nor for that matter, all of its own citizens who have access to important secrets. But if the intelligence officer is detected, without diplomatic status she faces physical abuse, imprisonment and death.

There is another possibility for the NOC officer. And that is to be based, not in the target country but instead in a neighbouring one. On no account will the intelligence officer engage in any espionage, or any other lawbreaking, in that country. She will be squeaky clean there. Her agent will take a 'vacation' in the neighbouring country from time to time; in fact, he is there to meet with the officer. Obviously, the meeting must be a secret one, just in case target country security officials are trailing the agent, or neighbouring country security officials are in league with those of the target country.

Some countries severely restrict or preclude altogether the movements of state officials outside the target country, if they are involved in highly secret work, such as an undeclared nuclear weapons program. Such a situation would require the employment of a principal agent who is able to travel outside the country.

A serious matter is raised should an espionage agency decide on business cover. It is hard to pretend that a real business exists if it has no products, sales staff, or clients. So it is pretty much a given that the cover business must be a real business, in order to withstand any scrutiny by the country it is located in, and, should it come to that, by the target country. The espionage agency must therefore employ genuine businesspeople to run it who must of course know that the real business being conducted is espionage. This, it goes without saying, substantially increases the cost to the taxpayer of the espionage agency, though we suppose that, if the cover business turns a real

profit, it can help defray the cost of the agency!

What is Espionage For, Anyway?

All of this discussion of espionage tactics and techniques can obscure the overall point of the exercise. Espionage is not carried out for its own sake but to accomplish a set of linked goals: to provide vital information to analysts who prepare intelligence assessments, which in turn inform the government's thinking on key issues and ultimately lead to government action. Collecting information by clandestine means at great risk and expense, if it does not ultimately help shape government policy, is a waste of time and resources.

Intelligence is what professionals call processed information. An agent report on its own is raw information; it will rarely 'speak for itself.' To be useful it must go through a process of further evaluation and then be integrated with other information to form a full picture of the situation. This is the role of the intelligence analyst (sometimes referred to as an 'all-source analyst'). The analyst is a skilled, knowledgeable individual on a given subject who looks at the new information to determine: Is it true? Is it relevant? Where does it fit in the bigger picture about the subject? Has it been corroborated? The analyst combines the information obtained through espionage with all the other information available from all sources, both classified and unclassified, and uses it to prepare an intelligence assessment.

The amount of clandestinely acquired information—from humint, sigint, imint—can vary widely. Typically, the more secrecy that surrounds an activity, the greater the reliance on secret information to uncover it. But in fact many assessments are based largely on information that is entirely from open sources or overt collection such as diplomatic reporting.

Good intelligence about one's enemies (and sometimes even one's allies) is normally necessary in national policymaking. It can warn of that which would otherwise be a surprise. Early warning allows time to craft a more effective response. Knowing your enemy—his intentions, capabilities, and, most important, his motivations, fears, hopes—is fundamental to statecraft.

Note well the difference between raw information and finished intelligence. The former is a key input to intelligence analysis. The latter is used for decisions and actions by government.

But even the best intelligence organization and people in it cannot prevent all surprises. In any case, intelligence is usually not the decisive consideration in national policymaking; sometimes not a factor at all. Above all, if your country doesn't have the power to respond effectively to hostile acts, it doesn't matter how good your intelligence is.

Where Espionage Reports Should Go

Busy political masters and senior officials should normally not receive raw espionage (or sigint or imint) reports. Or, if they do, they must be accompanied by assessments of their relevance to the bigger picture. If not, the raw report can be very misleading, even incomprehensible. And yet the peddling of raw reporting by intelligence agencies for bureaucratic advantage is a regrettable reality.

The point is that only finished assessments, drawing on all the available information, should be given to senior leaders. Individual, raw intelligence reports, including agents' reports, should be judged by the subject matter

experts charged with preparing the finished assessments. They are best placed to determine whether an agent report is important in the big scheme of things, and, if it does fit in the big picture, how and where it goes.

It follows that no espionage agency should ever be allowed to decide itself whether a given agent's report is valuable or not. The agency's officers will of course want to believe that 'all their geese are swans,' but it needs a more dispassionate all-source analyst to decide just how valuable—or not—the agent really is. MI6 encountered this problem when it provided humint reports on Saddam Hussein's weapons programs directly to senior British officials without vetting by all-source analysts; the reports turned out to be wrong.

The Last Resort

Espionage is operationally, legally and morally the most hazardous kind of intelligence collection. As such, espionage must be a country's last resort to obtain information affecting its vital interests. Espionage should only be employed when other collection methods are incapable of providing the required information.

Even more crucially, since officers in the espionage profession may be taking substantial risks and often have no option but to attack—psychologically and emotionally—their potential and recruited agents, they should only be expected to operate in defence of their nation's vital interests. Anything less is to risk crippling morally the intelligence officers and the nation they serve. Officers must serve only critical national needs.

The Payoff of Espionage

What secret information can only be collected by an espionage agency? Clearly, if other collection methods are available and can yield the same information as can be had from espionage, there is no point in using it, since it is the most hazardous kind of spying.

Open-source information, despite its very important intelligence role, suffers from a critical defect. The most closely guarded secrets of a state will not be plastered on the internet. Sigint may not be of much help either, since the computers of a secret weapons laboratory will be 'air-gapped', and its scientists will not be allowed to take work home. And enemy leaders will be careful—very careful—about committing their innermost thoughts to a computer hard drive. Satellite photographs may tell an adversary about enemy capabilities and actions, but not intent.

What espionage can do is see inside the enemy's top-secret weapons lab. What espionage can do is understand the motivations, the fears, the hopes of an enemy leader. All-source analysts can, on the basis of indirect evidence, take a stab at trying to divine what enemy leaders are thinking, but that is no substitute for intelligence reports which provided direct evidence into that thinking.

William Burns, the CIA Director (2021-25), recently wrote, "There will continue to be secrets that only humans can collect." Burns was a professional US Foreign Service diplomat, not a career CIA intelligence officer. He is a very independent thinker, and is unlikely to have suffered from déformation professionnelle from his time at the CIA.

Agents with intimate access to top-level enemy thinking, advanced weapons projects, and cutting-edge scientific know-how are extraordinarily hard to get. Yet it is these, the hardest targets, that must be attacked; if agents with access to relatively unimportant secrets are settled for, then the espionage agency is of only limited value. Better to aim high and stand the chance of getting a few crack agents, instead of a stable of those of only passing importance.

In this regard, author Gordon Corera has written, "[W]eapons programmes are the most closely guarded secrets of a state, their intimate details known only to a handful, the hardest target for a secret service. But stealing secrets from such a target is exactly what the service is there for."

Do not be misled. There will be huge pressure on an espionage agency to start producing reports very soon after the first intelligence officers are deployed abroad. The agency's leadership will be sorely tempted to have the officers recruit agents with only low-level access, thus beginning merely poor reporting quickly. Indeed, an espionage agency which produces at best only second-rate, 'interesting' reports, is not worth the financial cost, never mind its risks.

Priorities and Tasking

The risks and costs of espionage require that the targets of an espionage agency be set by the highest level practicable, ideally by the country's political leadership. This means its strategic targets. It is for the state's leaders, not its intelligence officers, to choose what countries (or entities) are to be spied on, and what information is required. These should relate to the country's vital interests. Once the overall priorities have been set at the highest levels, the espionage agency has the responsibility of determining how this information is to be collected. These are operational and tactical issues. A country's leaders would have neither the knowledge nor the time to micromanage the espionage operations after setting the strategic targets.

Whether an espionage agency can address more than one strategic target depends upon its staffing. Clearly, it follows that strategic targets must be very carefully chosen. And what is not chosen as an espionage target may have to be attacked by other intelligence collection means.

Strategic Targets, Small Agencies—and Political Grit

Espionage targets must be strategic, enduring and—this is paramount—must address the nation's vital interests, for both practical and moral reasons. Results will likely to be a long time in coming. Some efforts will fail, and some failures will become public. Senior officials and responsible politicians must have patience and courage—in a word, grit. If not, they will feel compelled to levy on the agency unrealistic demands to get fast results.

Or they will impose operationally crippling restrictions on it, so as to make their espionage 'nice.' The result will be an espionage agency not worth having.

Leaders who have the responsibility for setting strategic targets must also be realistic. No agency, and especially one of modest size, can spy on everything all the time. So choices will have to be made. Leaders can of course add to the target list, provided they are willing to devote the extra resources necessary. But leaders must still wait patiently for the results.

A key point concerning targeting must be emphasized: Espionage agencies must not be self-directing. Deciding what, and what not, to spy on is a matter for a nation's politicians and senior public servants, not its intelligence officers.

Other Possible Functions of an Espionage Agency

The fundamental purpose of an espionage agency is to collect secret information which is ultimately used to inform government decisions. However, because such agencies work in the shadows, they have often been employed in other activities where secrecy is an asset. Not all espionage agencies are involved in all of these activities, which can sometimes divert effort from the primary purpose of the organization. It is crucial that a country's leaders, and not its intelligence officers, select which of the tasks are to be carried out by the agency.

An espionage agency *may collect other forms of human intelligence* in addition to the clandestine collection of information using human agents. For example it may interview travellers, defectors, immigrants or others with knowledge of developments in target countries. An agency operating alongside military forces in a combat setting may conduct interrogations of prisoners (so-called 'custodial interviews'). These types of humint collection could also be conducted by other organizations—such as a foreign ministry or military force—but it may be more expedient to employ an espionage agency since it already has suitably trained personnel and a requirements and reporting structure in place.

Liaison with foreign espionage agencies is a non-controversial task employed by almost all espionage organizations. An important purpose of such liaison is to gain access to espionage reports from foreign agencies. For many agencies, the bulk of the information they receive will come via liaison channels. An agency may also establish liaison relationships with non-governmental groups such as armed opposition movements which have developed intelligence sources within their home country. In these relationships there can be a high risk that the groups will seek to influence the espionage agency by providing biased information. Such was the case with Iraqi opposition groups that provided inaccurate information on Iraq's weapons of mass destruction program in order to encourage the US government to take military action against the regime.

Counterespionage is frequently a job assigned to a country's foreign espionage agency. It is rare for a country's domestic security service (e.g. the US FBI's National Security Branch) to be tasked to recruit hostile intelligence service officers outside its home country and then run them as agents abroad clandestinely.

Covert action is intended to produce an outcome, usually political, by secret means not usually available to other branches of government. This could involve a wide range of activities, from the nonviolent (rigging a foreign election) to violent (an assassination). Fictional accounts of secret services are usually accounts of 'covert action,' often violent, rather than espionage. Many believe that that all intelligence officers are skilled with firearms and knives, masters of unarmed combat and in the use of explosives. Espionage, certainly as we have characterized it, in fact has no need for such skills. It follows that there is no professional need for officers to be trained in violent arts other than perhaps basic unarmed defensive skills.

Influence operations are a special form of covert action, arguably a separate category. They are aimed at having a political impact on a country's policies. Influence operations are by definition nonviolent. They usually involve directing an agent to use his influence, prestige and persuasive ability to alter, perhaps only subtly, a particular target country's policy. But some of the best intelligence officers form close friendships with foreign politicians and other leaders. They thereby are able to exert outsized influence with key foreigners. (Whether these are in fact 'covert' operations is, of course, debatable.) The latter may elect to share inside information with the officers in ways which are nothing like more typical officer-agent relationships.

Secret or open diplomacy is a task sometimes assigned to an espionage agency. The former American CIA Director William Burns was used for the latter task rather extensively. An example of the former could be a secret

backchannel to an enemy, when an open relationship is not possible politically.

An espionage agency might also be charged with ***an analysis function***. The US CIA, for example, has a *very* large body of experts who analyze foreign political, economic, scientific and military issues (and others besides), using information gleaned by all intelligence collection means and indeed from open sources. Assigning this substantial task to an espionage agency would usually require significant additional manpower and other resources. There is also a risk that its operational espionage activities might bias the assessments produced by the agency—for example by overriding analysts' concerns over the credibility of a source.

Espionage is Hard

The reader will be forgiven for concluding that getting espionage 'right' is difficult. It isn't.

Getting espionage right is *very* difficult.

It can succeed only with lots of political grit, the right strategic targets, willingness and ability to act on intelligence, tough tactics and very carefully selected, extremely well-trained espionage officers.

And even then, espionage may not uncover an enemy's darkest secrets. There is simply no guarantee. But if it does work well, the value of its information may exceed considerably its costs and risks.

People should not be deluded into thinking that 'there must be a nicer way to spy', or 'surely, most fictional representations of espionage have some kernel of truth.' No, there isn't, and no, they don't. We have no truck with those who believe good espionage operations are easy and squeaky clean. They aren't.

No country should engage in espionage unless it is deadly serious about doing it effectively. Some Western secret services are mere vanity pieces. They call themselves 'secret services', but make no attempt aggressively to hunt for agents to ferret out key enemy secrets.

A counsel of perfection? Perhaps. But anything less is not worth the costs and risks of espionage.

Part II - What to Think About Before Creating an Espionage Agency

Above we have described in broad terms the work of a generic espionage agency, with the aim of addressing some of the misconceptions prevalent in the public understanding of this subject. In this section we turn to the specific issue of creating a Canadian agency. Here we seek to outline—as objectively as possible—the factors that politicians, senior public servants, indeed, all interested Canadians, should think about when considering the idea of creating an espionage agency. We make no recommendation about what the government decision should be. Readers will weigh each factor differently.

We also examine where the agency might fit within the Government of Canada, a fraught question that again has no easy answer.

Since the early 1950s politicians and officials in Ottawa have on many occasions considered the question of creating a Canadian espionage agency. In all of the cases to date they have decided against doing so. Although the available archival records are fragmentary, it appears that many of these proposals were superficial and incomplete.

What Purpose Would It Serve?

The fundamental question that must first be addressed is what purpose a Canadian espionage agency would serve.

Far too much of the discussion of this subject has started from the wrong end of the problem. The logic often goes like this: "Wouldn't it be a great idea for Canada to have a spy agency?" and only then is the question asked "what exactly will it do?" Instead, the discussion should start by identifying the fundamental requirement—"Canada has a vital need for information on X which can only be obtained through espionage"—before proceeding to consideration of the practical issues of actually establishing a new agency for this purpose.

The authors disagree on this question. One believes that Canada has not yet identified "X": an intelligence requirement (or requirements) of overriding importance to Canadian interests, which can only be met by the collection of clandestine humint at acceptable cost and risk. The internal government reviews of this matter over the past seven decades do not appear to have identified any such requirement. That situation may be changing today in a new and more threatening international environment, but so far the government has not articulated any such critical intelligence requirement that could only be addressed by an espionage agency.

The other author believes that agent reporting could meaningfully address a few of the most pressing of the real Canadian intelligence requirements. Put another way, the right questions are probably not being asked in setting them. If they were, then espionage reporting could add serious depth and credibility to Canadian assessments intended to satisfy these real requirements. Penetrating such targets as Vladimir Putin's inner circle is precisely the kind of job an espionage agency is for. With competent tradecraft and some luck a Canadian agency could do it. Some critical information can only be had by secret collection means in general, and in some cases only by espionage. It is true, however, that only a handful of the real intelligence requirements would be addressed by espionage on the scale Canada could afford.

The authors are unable to say which of these viewpoints is correct. It is up to the government, in considering any decision to create a new espionage agency, to determine what the purpose of the agency is to be and whether it is

likely to be capable of achieving that end.

The Bogus Arguments For and Against an Espionage Agency

Risible arguments are advanced in support of or opposition to creating an espionage agency. They usually constitute special pleading. First, the bad arguments against.

Canada has no experience in espionage. So what? Western nations, including Canada, had no signals intelligence experience prior to the 20th Century either, yet did it well in two world wars. If it decided to do so, Canada is more than capable of creating its own espionage agency. To assist in this we are likely to receive training and operational help from allies.

There is nothing Canada could achieve that cannot be better done by our allies. What a provincial view, what a 'poor-little-Canada' notion. Yes, espionage can be very difficult. But that doesn't mean Canada would fail where allied espionage organizations have succeeded, if the will, grit and patience are there, and if Canadians are willing to accept the tactics necessary.

Politicians and the public will object to the "dirty business of spying." Those who proclaim this as fact are, rather, saying so simply because they themselves object to Canadian espionage. Instead, Canadians should be allowed to voice their views. That would be preferable to mere assertions—masquerading as facts—from self-styled experts.

Espionage is illegal under international law. False. It is not, although agents working for the espionage agency are breaking the law of their home country.

Now we turn to the sham arguments for a Canadian espionage agency.

Canadian espionage would permit a focus on unique Canadian interests. This is fatuous. It is difficult to single out any one solely Canadian interest (outside the important economic sphere–see below). Canada and its allies in fact share many of the same vital interests, like preventing nuclear weapons proliferation. Though, to be sure, Canada may lend greater weight to several of its interests, such as the Arctic.

Canada needs such an agency in order to 'pull our weight.' This is an emotional argument, and not sufficient justification for running the risks and paying the costs involved in Canadian espionage. Canada already makes a considerable contribution to the collective pool of allied intelligence in other areas. The argument is as simplistic as the one which says we should have an espionage agency simply because all our G-7 partners have one.

Our allies will stop providing Canada with intelligence if we don't create an espionage agency. Well, they haven't for decades, so why should they now? Of course, we cannot assume that a US president will not cut back on the provision of intelligence to Canada, but if so this would very likely be a political decision based on the overall state of relations, not a reaction to the absence of a Canadian espionage agency.

We should not have completely to rely on allies for intelligence as we now do. This is false. We don't rely completely on our allies. Canada collects substantial quantities of its own sigint through the work of the Communications Security Establishment (CSE). Canada assesses a considerable chunk of the raw information, our own and allied, in order to produce finished assessments. It is these assessments, rather than raw information from allies or elsewhere, which help inform Canadian policymaking.

Our allies may feed us false intelligence to influence our policies. A Canadian espionage agency would never have the capacity to provide independent corroboration of most of the information Canada receives from its allies. There is no doubt that one of the reasons allied governments provide intelligence to Canada is to encourage officials in Ottawa to view international developments from a similar point of view, and ultimately to adopt similar policies. However, there is no indication that our allies deliberately provide falsified intelligence reports with the aim of influencing Canadian policies. It is possible that intelligence assessments received from allies will be incorrect—as happened with assessments on Iraq's weapons of mass destruction program—but this is not a case of deliberate deception.

Having a Canadian espionage agency would mean we don't need allied intelligence. This is plainly ridiculous. No espionage agency that Canada can afford could ever produce enough reports to allow us to ditch the flood of allied raw information that Canada gets. A Canadian espionage agency might be able to generate several hundred reports a year. And then it could only report on selected, narrow areas of Canadian interest, not all our interests. It is frankly stunning to us that so many commentators don't seem to understand that a modestly-sized agency could only spy on a relative handful of targets.

Canada should follow Australia's example. Some argue that the Australian Secret Intelligence Service (ASIS) should be an example for a Canadian agency since both countries share a similar size, government system and international interests. Since Australia has such an agency, Canada should have one too. But Australia's strategic situation is very different from Canada's; it is much more clearly focussed on potential threats from Asia. This strategic niche allows ASIS to target its resources more narrowly. Canada's international interests are broader, and there is no similar target niche for a Canadian agency. Any decision by Canada to create its own espionage agency should be based on its own requirements and strategic situation, not those of another country.

The Special Case of Economic Espionage

Some commentators have suggested that an espionage agency could collect information related to Canada's economic and commercial interests, since these may diverge from those of our allies. Over the years this idea was often raised in the internal deliberations of officials. However, there are significant complications involved with clandestine collection of economic information which must be considered before moving in this direction.

Canada already has a well-developed and effective mechanism for collecting commercial information of interest to Canadian business through the Canadian Trade Commissioner Service. Any tasking of a Canadian espionage agency in this area would have to identify areas where only clandestine collection by human agents could obtain relevant and usable information.

Proponents have suggested several types of information that might be collected under this heading. Some examples:

- Information to advantage Canadian firms in contract bids;
- Obtaining proprietary secrets of foreign businesses;
- Information to support government trade negotiators; or
- Detecting foreign violations of trade agreements or the evasion of economic embargoes.

The first two examples are problematic. Canada, unlike some other countries, does not have the type of state-owned businesses which would be suitable recipients for such information, so the problem would arise about how to transfer clandestinely-acquired information to a private company, and how to justify providing such

information to one company but not another. It would be hard to identify purely "Canadian" companies that did not have some degree of foreign ownership or non-Canadian staff. There is also likely to be less public support in Canada for such actions if they were to eventually become public, especially since Canada has objected strongly to other countries using such tactics.

There may be less public opposition to a Canadian espionage agency collecting information related to the last two examples, which would avoid the problems associated with transferring information to private companies. But before taking such action, the government would have to determine whether useful information could best be obtained via espionage, or whether there were other ways—perhaps technical collection—to obtain the needed information.

Information Sovereignty

As described above, several of the arguments of proponents of a Canadian espionage agency revolve around the question of Canadian sovereignty. They posit that Canada should have independent sources of intelligence to avoid over-reliance on allied reporting, and—in extreme cases—prevent our allies from influencing Canadian policy with biased or inaccurate intelligence. This view glosses over the fact that a Canadian espionage agency could only address a very small proportion of our overall requirements for intelligence to support decisions on foreign and defence policy. So having independent sources of information on a small number of issues will not change the overwhelming preponderance of intelligence that we would continue to receive from allies.

On the question of shielding Canada from poor-quality or deliberately biased allied intelligence, there is a good argument that the best defence is not a Canadian espionage agency but rather a more robust and effective Canadian intelligence assessment capability. This would improve Canada's ability to make independent judgements about the credibility and value of the intelligence we receive from all sources—Canadian and allied—and come to autonomous conclusions about their significance and implications for future developments. This was demonstrated by the performance of the Canadian intelligence community in response to US claims concerning Iraq's weapons of mass destruction program in 2002-03: despite the secret information we received from our allies, Canadian analysts concluded—correctly—that Saddam did not have an active weapons program. The value of a strong and independent Canadian assessment capacity is even more important in an era of growing doubts about the quality and objectivity of some of the intelligence assessments Canada is receiving from Washington.

Risks

There are various risks involved in the operation of an espionage agency which would have to be carefully considered. There is the domestic political risk to the government which will be held accountable when—inevitably—an espionage operation goes wrong. As usually is the case, at least in liberal democracies, the matter will likely become public knowledge. Embarrassment will ensue. There will be questions posed to the responsible Minister in the House of Commons which could have wider political ramifications.

The exposure of Canadian espionage operations would have diplomatic, political and economic repercussions. The Minister of Foreign Affairs and Canadian diplomats would have to deal with the fallout and seek to reduce the impact of the incident on Canada's interests. In some cases the diplomatic response might be limited to the expulsion of diplomats. But the repercussions could be more severe if the foreign country targeted by Canada's spies was otherwise considered a friend.

There are the very real physical, legal and psychological risks run by agents, the foreigners who spy for Canada. At best, if caught passing on secret material to a Canadian intelligence officer, he or she can expect a long prison sentence. At worst, the agent may be tortured and executed. It is a certainty that one or more agents spying for Canada will be found out eventually.

Canadian espionage officers would face risks as well. Those operating under embassy cover will have some protections but could still face physical abuse before the diplomatic protocols are enforced. Espionage officers operating under non-official cover would face greater dangers, even if elaborate steps are taken to provide good cover and safer basing arrangements. Foreign governments might also use the existence of a Canadian espionage agency as a pretext for arresting Canadian citizens by claiming that they were spies; in such situations Canada's public denials might have less international credibility. Canada has already experienced significant diplomatic and economic repercussions from the Chinese government's arrest of Michael Kovrig and Michael Spavor on allegations of spying.

And reputational risks also have to be considered. For some Canadians and foreign citizens, the creation of an espionage agency would undermine Canada's reputation as a principled actor on the world stage. Others might be less concerned and accept that conducting espionage is normal and accepted practice in international relations.

There may also be other associated risks. The creation of a Canadian espionage agency my make it easier for foreign intelligence officers—including our allies—to pose as Canadians when recruiting agents in 'false-flag' operations. If the local security services arrest the agent thinking he is working for Canada the diplomatic repercussions would be directed at Canada, and Ottawa may have difficulty denying involvement.

Relations with Allies

There is no doubt that Canada's intelligence allies would welcome the creation of a Canadian espionage agency; officials of allied humint agencies have been urging Ottawa to do so for decades. This is likely to lead allies to provide more humint reporting than is now the case—although Canada already receives considerable quantities of allied reports of all types, including humint. The allied opinion of a Canadian agency, however, will ultimately depend on how effective it is. They would look askance at any Canadian agency which did not aggressively hunt and recruit agents, especially in high enemy circles. Any Canadian 'secret service lite' would not only be unwelcome, but an actual embarrassment to Canada.

The quality of the relationship with allied espionage organizations would derive from the quality of the Canadian agency's agent reporting. Assuming Canada recruited a stable of agents with good access to enemies' inner circles, and shared much of the 'take' with allies, Canada could expect credit from and leverage with them.

Of course, in return for sharing espionage reports with allies, Canada would expect to receive similar quality reports. For each Canadian report shared with allies, we could expect, say, about a half-dozen in return. In fact, in view of the many shared interests Canada has with allies, it may prove that these half-dozen could be more valuable to the government than the Canadian report. However the aim of prompting allies to share more humint reports with Canada also seems to contradict the argument that Canada needs to reduce its reliance on allied intelligence collection.

A Canadian espionage agency would need to take care not to become a 'branch plant' operation of one or more close allies. A new agency starting out might be tempted to work on niche collection tasks that were doable but

that largely served allied interests—or only low priority Canadian interests—in the expectation that this would encourage allied agencies to share reporting of greater direct interest to Canada. There is a bureaucratic logic to this calculation—which historically has characterized other realms of Canadian intelligence collection—but this leads to a situation where the Canadian agency is of more help to allies than a direct support to Canadian policy. Canadian sovereignty alone demands this not occur.

A Vexing Question: Where in Government Would a Canadian Espionage Agency Fit?

In practical terms, the question of where a new espionage agency should fit within the Canadian government structure is one of the most difficult to answer.

Should the agency be part of a department, or a separate organization? In either case the agency will have to report via a responsible minister, who needs to be supported by a knowledgeable staff for independent advice concerning the agency. Establishing such a staff from scratch would be a challenge, since in the early days genuine expertise would be lacking. Considerable trust would need to be placed in the agency's leadership while the departmental staff 'learned the ropes.'

Global Affairs

A logical location for a new Canadian espionage agency would be Global Affairs Canada (GAC), either as part of the department, or a separate agency reporting to it. The agency would collect information about foreign states or entities in support of Canadian foreign and defence policy in its broadest terms. This is the realm of GAC with its legislated responsibility for Canada's international activities. This is the model adopted by the UK, where MI6 is a separate agency reporting to the British Foreign, Commonwealth and Development Office.

In the Canadian situation, however, this may be more problematic. There is likely to be strong opposition among many Canadian Foreign Service (FS) officers to the department being associated with an espionage agency. They would object on the basis that it would complicate the business of Canadian diplomacy. In any event, they would likely argue that regular diplomatic reporting and other overt means of information-gathering—in conjunction with Canada's existing sources of intelligence—yields all the information Canada needs for the formulation and execution of its foreign policy. If the espionage agency was subordinated to GAC, departmental officials would be in a position to limit the agency's effectiveness by impeding operations. Even if the GAC Minister supported such operations, or they were approved by, say, the Privy Council Office rather than by GAC, there are many practical ways in which FS officers could create obstacles to efficient espionage. Opposition from FS officers is likely to be even stronger to a group that was formally part of GAC rather than a separate agency reporting to it. The reason is simple; Canadian FS officers would be concerned that their interlocutors abroad would regard them as intelligence officers in disguise. Of course, some FS officers will argue that allowing Canadian espionage officers to be disguised as diplomats amounts to the same thing. There is also a practical difficulty posed by the lack of secure physical space in many Canadian embassies, especially in the smaller missions, so it would be hard to accommodate additional espionage staff.

Privy Council Office

It could be argued that the espionage agency, as a national rather than a departmental capability, should be controlled at the national level by the Privy Council Office (PCO), the body responsible for coordinating national policies and priorities across government. In this arrangement, the chief of the agency would report to the Prime Minister via the PCO's National Security and Intelligence Advisor. This would be somewhat similar to the US CIA which is part of the executive branch, and is directly under the authority of the president. In principle this would provide more centralized control of the agency and ensure that it addressed national requirements rather than narrower departmental priorities.

However, this arrangement might not be a good fit for Canada's governmental system based on ministerial responsibility. The Prime Minister would be the responsible minister for an espionage agency located in or directly controlled by PCO. Although the Prime Minister, as head of government, is ultimately responsible for intelligence and security matters, most would probably prefer to put some political distance between themselves and the agency. There might also be a question of whether prime ministers would have the time to deal with the tasks a minister would be involved in in overseeing the agency.

National Defence

Another option would be to house it administratively in the Department of National Defence, with policy direction coming from PCO. This is similar to the current reporting arrangement for CSE, which is an independent agency reporting to the Minister of National Defence. There would be a stronger argument for this arrangement if the agency was primarily tasked with collecting military-related information, but the danger is that it would inevitably tend to focus on the needs and priorities of DND rather than the wider foreign policy issues normally expected of an espionage agency.

An Espionage Mandate for CSIS?

Many commentators have suggested that CSIS should become an espionage agency in addition to its responsibilities as Canada's domestic intelligence service. CSIS is the best-known of Canada's intelligence organizations and so for many people it is simple logic that it would take on these added duties—many Canadians may (erroneously) believe that CSIS already carries out espionage operations overseas. However, this idea is anything but a slam-dunk.

Far from a being trivial bureaucratic matter of changing a few words in the CSIS mandate, the answer to this question will have fundamental implications for Canada's intelligence and security structure. In the absence of any formal decision there is a danger that CSIS will take on elements of the overseas espionage role by stealth, as it expands its activities abroad by stretching its existing mandate well beyond its original limits on the basis of a broad interpretation of the meaning of "threats to Canada."

CSIS argues that the CSIS Act already empowers it to collect intelligence on "threats to Canada," both domestically and abroad. But the legislation defines threats essentially from a domestic security point of view, specifying such menaces as espionage, terrorism and foreign influenced activities. Other Canadian departments and agencies are concerned with other types of threats to Canada. The defence intelligence staff assesses military threats. Similarly, CSE is the lead intelligence agency dealing with cyber threats.

The main argument for having CSIS take on responsibility for spying overseas is that it would be simpler to hand this role to an existing organization rather than creating a completely new body. CSIS already has the authority to collect "foreign intelligence"—i.e. information on foreign governments and entities—"within Canada" if requested to do so by the Ministers of Foreign Affairs or Defence. Some argue that it would be a fairly simple matter to amend the CSIS Act to remove the "within Canada" limitation on the collection of foreign intelligence. CSIS also has officers familiar with handling confidential informants in Canada, and has some experience operating overseas as part of its current domestic security mandate.

Others argue that the work of a domestic security intelligence service is very different from that of an espionage agency. Managing a confidential informant in downtown Toronto is far easier than running a Russian agent in downtown Moscow. The consequences of exposure of a foreign agent are likely to be far more severe. And it appears from the available historic records that the government has received varying legal advice on how difficult it would be to amend the "within Canada" limitation on CSIS's collection of foreign intelligence.

Giving CSIS a wider mandate to conduct espionage abroad might allow it to carry out its current counterespionage role more effectively by seeking to recruit officers of hostile intelligence services overseas. But in theory, CSIS already has the authority to do this (if that's a good idea). Apart from the daunting challenges of such operations, this is not the approach taken by our allies, where such overseas counterespionage operations are conducted by their foreign espionage agencies (e.g. the CIA) rather than their domestic security services (e.g. the FBI).

Assigning the espionage function to CSIS may have bureaucratic advantages—it could represent the line of least political-bureaucratic resistance. Creating a new, independent espionage agency would generate considerable public debate. By contrast, amending the CSIS Act to give the mandate to CSIS may arouse less political and public opposition. Senior bureaucrats too might shed a sigh of relief if CSIS were more or less quietly to become a foreign spy service in addition to its domestic role. Some might be tempted by the potential cost savings of avoiding duplication of administrative and support services by having one agency to carry out both roles rather than having two separate organizations. Assigning CSIS the espionage mandate should not be predicated solely or mainly on the basis of cost, however.

It has been suggested that the espionage function could initially be handled by CSIS for a period of, say, a decade. Once the new organization had built up its staff and operational capabilities, and had gained experience overseas, it could be split off into a separate agency. But a politico-bureaucratic willingness to have a separate agency might still be absent after such a period. In any case, by then CSIS might have become enamored of the espionage role, and be reluctant to give it up.

There are a number of reasons put forward for why it would not be a good idea to add the espionage role to CSIS's mandate. Giving a single organization authority to deal with both domestic security intelligence work and overseas espionage would concentrate a great deal of state power in one organization. No close ally of Canada of greater or comparable size has done so. The best example of an organization fulfilling both roles was the former Soviet KGB—few Canadians probably view this as a model to emulate.

Adding the espionage function to CSIS's current responsibilities would place huge demands on the time and attention of the service's director and senior staff, leading to less focus on domestic security. Even with added funding, the demands of foreign espionage activities are likely to divert financial and staff resources from the CSIS's domestic intelligence work, which most Canadians likely see as its most important responsibility.

CSIS reports to the Minister of Public Safety, who is primarily responsible for domestic security and policing matters. This department is not in a position to provide appropriate guidance and ministerial oversight to an espionage agency working overseas, and whose operations could have significant repercussions for the conduct of Canada's international affairs, which is GAC's responsibility. This situation would therefore require a cumbersome shared responsibility which would allow for GAC input to—and veto over?—the agency's operations. This would be a recipe for dysfunction and conflict between the departments.

But perhaps the most cogent reason why a Canadian espionage agency should not be a part of CSIS is because CSIS is—must be—at root a law-abiding service, and a Canadian espionage agency would be—necessarily—a law-breaking organization. It is difficult to imagine how two wings of CSIS, the foreign and the domestic, could operate together with such fundamentally different operational philosophies. And it would take a Director with great mental and moral flexibility to be able to 'switch hats,' often daily.

Management of the Agency

Management would include: Ministerial responsibility for the agency; setting of collection priorities and assignment of espionage targets; and, other departments' and agencies' authorities.

A Canadian espionage agency's strategic targets should be established at the highest levels of government. Preferably, in our view, strategic guidance on targets and policy would be set by ministers, including the Prime Minister, and the Ministers of Global Affairs, National Defence and Public Safety. Depending upon the targets proposed, the ministers responsible for science, technology, government spending, and economic matters might also be involved.

In formulating this overall guidance, ministers should receive clear advice from officials on the operational, financial, legal and personnel implications of various options. Ministers should be in no doubt concerning the 'So Whats?' of proposed targets: what information can be expected to be collected, and what are the risks and potential foreign policy implications.

An inter-departmental committee of senior officials will also likely be involved in reviewing targeting and specific operations with recommendations for ministers. Clear lines of authority and responsibility will have to be laid out between such a committee and the head of the espionage agency: overly tight control by the committee will limit the operational flexibility desired by the agency head, but a lack of clear guidance could lead to overly risky operations.

Our assumption in the paragraphs above is that the agency would be seen as a national resource serving the needs of the government as a whole and thus requiring coordination across a number of departments. If the agency is to have a more limited mandate as essentially a departmental resource, then it would logically be managed directly by that department, but other departments would still need to be brought into the process because of the potential operational repercussions.

New Legislation

We discount the possibility that the creation of a Canadian espionage agency could be done secretly, whatever the operational advantages. It would be a matter of a few years, perhaps as little as a few months, before its existence would become public knowledge. It is most unlikely that a Canadian government would risk the political fallout

of any secret creation.

Crown prerogative might be invoked as a legal basis for a new agency, but it is likely that the Canadian public would demand the passing of an Act of Parliament to provide the legal framework for a Canadian espionage agency. The act would need to lay out clearly what was permissible for agency officers to do, and, no less important, what was not permissible.

Readers should not be under any illusions. Drafting an Act is not a simple process. It takes much staff work by relevant authorities, not least legal authorities, to come up with a workable draft. The preparation of the legislation authorizing the creation of CSIS during the 1980s and then dealing with the practical issues involved in getting the new service up and running occupied a great deal of the time and attention of senior officials in the intelligence community for several years, which diverted effort from other pressing issues.

Legal Considerations

As already noted, espionage is not contrary to international law. That said, espionage organizations as a matter of course break the national laws of the countries they spy on. This raises the legal question of whether Canadian officials can be directed as part of their government duties to break foreign laws without such actions—or the orders themselves—contravening Canadian law. The legislation authorizing any new agency will have to address this issue.

This raises a broader issue. No effective espionage agency can afford to have its officers being in constant fear that a change of government would likely result in them being prosecuted for doing in good faith what the country expected of them, and what its politicians have effectively ordered them to do. So any Act establishing the agency must include wording that precludes any subsequent prosecution for following the lawful commands of the agency's leaders. By contrast, draconian penalties should face agency officers who engage in unlawful acts.

Review Mechanism

The legislation authorizing any new agency will include a review mechanism. The existing National Security and Intelligence Review Agency (NSIRA), which is responsible for the review of the activities of a number of federal intelligence and security agencies and departments would be the logical basis for any review mechanism for the new agency.

But review of an espionage agency's operations is fraught. Espionage operations must be kept under particularly tight wraps. The danger that must be avoided is revealing the true identity of agents, or more broadly compromising ongoing, highly sensitive operations thereby leading to an agent's unmasking. It may be necessary to create separate review procedures to protect agents' identities and current operations.

There is another problem. An important part of NSIRA's mandate is to ensure that Canada's intelligence and security bodies act in a lawful manner, and this may clash with the espionage agency's practice of breaking the laws of foreign states. Legislation will have to make clear how the NSIRA mandate will be applied to the actions of an espionage agency.

Cost

The precise cost of an agency cannot be calculated without knowing how big it would be. The size of the agency would be a function of the number of targets assigned, as well as their diversity. The latter is relevant because effective espionage agency officers must have a fine-grained understanding of what they are spying on. The more different kinds of targets assigned, the more the agency headquarters must have experts who can educate the officers before they deploy abroad and appraise the reports sent back to headquarters.

Nevertheless, it can be said with reasonable certainty that an adequately-staffed agency would likely cost several hundred million dollars a year (by comparison, the annual budgets for CSIS and CSE are around $700 million and $1 billion, respectively). That is a lot of taxpayer money. Previous attempts to 'low-ball' the costs—by, for example, raiding other departments for personnel positions, or positing a very small agency to begin with—are simply efforts to wish away the likely real financial cost.

Consideration also has to be given to the opportunity cost of creating an espionage agency compared with enhancing Canada's intelligence capabilities in other ways. It may be that spending such amounts on other forms of intelligence collection—for example sigint or satellite surveillance—or enhancing diplomatic reporting by GAC, would have a greater payoff in meeting Canadian intelligence requirements. As well, as mentioned above, there is a clear argument that Canada's information sovereignty would be more significantly bolstered by improving our intelligence assessment capacity to make more effective use of the information—classified and unclassified—that Ottawa already receives. Intelligence assessment has historically received fewer resources and less attention in Canada than intelligence collection, and yet this is the vital function that produces all-source assessments for policy-makers. Improving Canada's assessment capacity can be achieved at much lower cost than a new espionage agency.

Influence Operations

In Part I we mentioned covert action as an additional function performed by some espionage agencies. This term covers a wide range of possible activities, from non-violent acts (such as interfering in foreign elections) to decidedly violent acts (such as assassination). We believe that it is extremely unlikely that the Canadian public would see violent covert action as an acceptable part of the mandate of any new espionage agency.

The situation is perhaps less clear-cut in the area of influence operations. For example, the espionage agency might encourage a foreign official who was acting as a clandestine agent to also take steps to shape his government's policy in a particular area of interest to Canada. This raises a number of questions, from effectiveness (will it even work?), to alternatives (are there better ways to influence foreign governments?) to morality (how can we justify doing this when we criticise such actions against us?). In forming any new espionage agency, careful consideration should be given to whether it will be assigned other roles beyond the covert collection of information and liaison with allied agencies.

How Long Would It Take to Become Effective?

In brief, it would take a generation for a Canadian espionage agency to reach full operational capability. That much time is necessary for the agency's leadership and officers to gain the experience to conduct operations with high competence.

This is not to say that the agency would fail to produce any intelligence whatsoever in its first couple of decades. Rather, its leadership and officers will tend to be operationally cautious, until experience teaches when risks are not merely permissible, but mandatory. Some intelligence should be forthcoming, but it may be judged in toto to be disappointing. Much political patience will be necessary.

Talking to the Allies

Before Canada makes any decision to create an espionage agency, one vital step is to learn from our allies. Canadian officials should certainly consult the allied espionage agencies, but they should not stop there, since these organizations will be biased in their view of the value of clandestine humint collection. More to the point is consultation with allied users—especially senior officials and politicians—about the value they place on the information they receive from their espionage agencies and their views on the cost and risks involved with clandestine humint collection. Many have suggested that Canada could usefully learn much from Australia about the value and pitfalls of operating an espionage agency. This may be a good place to start, since Australian views and advice might be less biased than that of our larger allies.

If Done, It Needs to be Done Right

This paper describes a range of complex factors that must be considered before making any decision to create a Canadian espionage agency—indeed, we have likely overlooked some. It is not an easy question that can be addressed with a few simplistic claims, such as "everybody else has one," or "we need our own Canadian intelligence." The matter is too important to yield to half-baked thinking or personal prejudices, still less starry-eyed, romantic and unrealistic notions of what an espionage agency can do.

Different people will place different weight on each of the factors we describe, and will have differing views on which are the preferred options. There are reasons to form a Canadian espionage agency, and reasons not to. There is no clear and straightforward answer.

As mentioned earlier, the authors disagree on some aspects of this question. However, we strongly agree on one key consideration: if Canada does decide to create an espionage agency, it must be determined to take all the necessary steps to give it the best chance of succeeding. There is no point in having an espionage agency that is not effective, that seeks to avoid the risks that are integral to this kind of intelligence collection. It must be more than just a token organization intended to keep our allies happy. It has to be able to actually obtain information that will inform key Canadian foreign and defence policy questions. If policy-makers are not prepared to act on information obtained it this way, there is little point in taking risks or spending money on the effort.

The Last Word

Even if everything is done right, however, there is no guarantee that a new espionage agency will succeed in obtaining intelligence that proves to be worth the costs and risks. We don't know, and cannot know in advance, how successful a Canadian espionage agency would be. It is entirely possible, on the one hand, that it would prove a failure. It is also possible that it could provide intelligence of strategic value, both to Canada and perhaps its allies.

Espionage is a deadly serious business. It is crucial that, if Canada wants to consider the creation of such a capacity, Canadian politicians weigh all the factors we have identified, and decide with their eyes wide open.

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