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SITREP

The 2026 Defence and Security Studies Conference
April 15, 2026



If I Only Had a DIME: Canadian National Power in the New Global (Dis)Order

Speaking to the **(D)iplomatic Space: Christopher (Chris) Alexander**, Former Canadian Ambassador to Afghanistan

Speaking to the **(I)nformation Space: Shachi Kurl**, President of the Angus Reid Institute

Speaking to the **(M)ilitary Space: Major-General (Ret'd) Denis Thompson**

Speaking to the **(E)conomic Space: Dan Ciuriak**, Former Deputy Chief Economist at the Department of Foreign Affairs and International Trade, and Senior Fellow at CIGI and the C.D. Howe Institute

Keynote Speaker: Bob Rae, Former Permanent Representative of Canada to the United Nations

2026 Conference Participants



Chris Alexander was born in Toronto. He attended Oriole Park Public School and the University of Toronto Schools (UTS) before earning a BA from McGill (history and political science) and an MA at Balliol College, Oxford (PPE). For eighteen years he served as a Canadian diplomat, serving in the Canadian embassy in Moscow under Yeltsin and Putin. From 2003 until 2009, he was the first resident Canadian Ambassador to Afghanistan and Deputy Special Representative of the Secretary General for Afghanistan. In 2011, he published *The Long Way Back: Afghanistan's Quest for Peace*, winner of the Huguenot Society of Canada Award. He was MP for Ajax-Pickering from 2011 to 2015, serving as Parliamentary Secretary for National Defence and Canada's Minister of Citizenship and Immigration.



Shachi Kurl is President of the Angus Reid Institute, Canada's non-profit foundation committed to independent research. She works with public opinion data to further public knowledge and enhance the national understanding of issues that matter to Canada and the world.

She is a regular contributor on CBC's "Power and Politics", and is often found offering analysis in the Wall Street Journal, the New York Times, and the Globe and Mail. She spent the first part of her career as political reporter and holds a degree in Journalism and Political Science from Carleton University. In 2022 she returned to Carleton's J-School as an Adjunct Research Professor, and in 2026 was appointed a Senior Research Fellow at the University Ottawa's School of Political Studies.

Kurl is a seasoned election debate moderator, hosting the only televised leaders' debates in the 2020 and 2024 provincial elections in B.C., and the English language federal leaders' debate in 2021.

She is a recipient of the prestigious Jack Webster Award for Best TV Reporting, and is currently the Chair of the Jack Webster Foundation. She is past National Co-Chair of the Canadian Cancer Society.



Major-General (Retired) Denis Thompson served 39 years in the Canadian Army as an infantry officer deploying at home and abroad in Cyprus, Germany, Bosnia, Afghanistan, and Egypt including command of NATO's Task Force Kandahar (2008/09), Canada's Special Operations Forces (2011-2014) and the Multinational Force & Observers in the Sinai (2014-2017). Since leaving the Army he has lectured at various Canadian universities as well as being a Senior Mentor at the Canadian Forces College, Toronto.

He is a Fellow with the Canadian Global Affairs Institute and the Centre for Defence and Security Studies. He remains engaged in veterans' charities as a board member of the Concussion Legacy Foundation Canada and Aman Lara (resettlement of Afghan interpreters).



Dan Ciuriak is Director and Principal, Ciuriak Consulting Inc. (Ottawa), Senior Fellow with the Centre for International Governance Innovation (Waterloo), Fellow-in-Residence with the C.D. Howe Institute (Toronto), Distinguished Fellow with the Asia Pacific Foundation of Canada (Vancouver), and Associate with BKP Development Research & Consulting GmbH (Munich). Previously, he was Deputy Chief Economist at the Department of Foreign Affairs and International Trade (DFAIT, now Global Affairs Canada) with responsibility for economic analysis in support of trade negotiations and trade litigation, and served as contributing editor of DFAIT's Trade Policy Research series (2001-2007 & 2010 editions). Prior to joining Canada's Public Service, he studied at McMaster University in Hamilton (Masters in Economics in 1977).



Bob Rae has been deeply engaged in a full range of public policy issues at the international, national, and provincial levels of government throughout a career that stretches for more than half a century. Most recently he served as the Ambassador and Permanent Representative of Canada to the United Nations in New York from 2020-2025, including a term as President of the Economic and Social Council. Mr Rae served as Premier of Ontario from 1990-1995, and interim Leader of the Liberal Party of Canada from 2011-2013. He was elected to federal and provincial parliaments 11 times between 1978 and 2013. He led the restructuring of the Canadian Red Cross, the Toronto Symphony Orchestra, and chaired the board of the Royal Conservatory of Music. He also wrote "Lessons to be Learned" on the Air India bombing, and "Ontario a Leader in Learning" - a study of the Ontario higher education system.

From the Editor's Desk

On April 15, 2026 the RCMI Defence and Security Studies Program (DSSP) held its annual conference in the Otter Room at 426 University Avenue in Toronto.

Last year, our annual conference focused on potential adversaries and challenges to Canada in the evolving geopolitical environment, including the states of Russia, China, North Korea and Iran. In addition, there was also a presentation on the various methods by which Canada has traditionally managed Canada-US relations.

This year, the focus turned to Canadian power in the quickly evolving new global order (or arguably disorder). In order to frame this discussion, the conference was organized around the well-known international relations 'DIME' model—Diplomatic, Information, Military and Economic—in order to describe what strengths Canada already possesses in each of these power dimensions, as well as the current steps we are taking to face the emerging risks and threats to our economy, society and sovereignty.

In order to help us understand these complex issues, we invited an outstanding group of experts from across all DIME elements, including Christopher Alexander, Former Canadian Ambassador to Afghanistan; Shachi Kurl, President of the Angus Reid Institute; Major-General Denis Thompson (ret'd); Dan Ciuriak, Former Deputy Chief Economist at the Department of Foreign Affairs and International Trade, and Senior Fellow at CIGI and the C.D. Howe Institute, and as our keynote speaker, Bob Rae, Former Permanent Representative of Canada to the United Nations.

All of the speakers agreed to be videotaped for the purpose of hosting their respective presentations on the 'RCMI Toronto' YouTube channel. In addition, these videos have been transcribed into individual articles and subsequently edited for length courtesy of ChatGPT (with the exception of Dan Ciuriak's original text); these are the articles that appear in this current edition of SITREP.

At the same time, you may notice a new edition to the masthead, namely, that Mr. Simon Waring has been added as Deputy Editor of SITREP. Simon has been a steadfast contributor to SITREP and is a member of the DSSP Committee. Having graduated with a MA in military history from RMC, he is continuing with doctoral studies at RMC, and is the author of the recently published book *Defeat at the Dnepr: The XLVIII Panzerkorps Counterattack at Kiev, November 1943*. Simon will present his new book at the RCMI on September 23—watch for upcoming details over the summer.

On May 7, I once again had the pleasure as participating as a judge at the Conference of Defence Associations Institute Graduate Student Conference. In that capacity, I identify a student who presents the best paper on an important and relevant subject related to a Canadian defence and security challenge or issue. That individual is then named as the Peter Hunter Award winner. This year's winner is the beneficiary of a significantly larger financial prize, namely \$3000 (up from \$1000), which was jointly donated by the RCMI and CDAI.

The 2026 Peter Hunter Award was given to Soha Sarfraz for her paper *The Commercial Reconstitution Gap: Restoration Lag in Canada's North*. The thesis of this paper is that while both Canada and the US are investing billions of dollars to upgrade NORAD's radars and other surveillance systems in the north, the electrical power systems which keep these critical assets running, would be at risk of failing for poten-

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tially extended periods of time as the means to repair or replace them are not present in the north (most likely stored in Toronto or Vancouver).

At the same time, the current methods of contracting with commercial suppliers of the aforementioned electrical systems do not include legal stipulations to prioritize defence-related or other critical infrastructure, thereby potentially increasing the 'downtime' of such systems. This could, in turn, allow potential adversaries to 'go dark' and launch missiles or take other actions that our defensive surveillance systems would not be able to detect. Soha makes specific recommendations to rectify this situation – you will be able to read these when her paper is published in an upcoming special edition of the CDAI publication 'On Track'.

Our final expert speaker event before our summer break will be on June 24 at 1930 with Dr. Ron Deibert, (OOnt, PhD, University of British Columbia), Professor of Political Science, and Director of the Citizen Lab at the Munk School of Global Affairs & Public Policy, University of Toronto. The Citizen Lab is an interdisciplinary laboratory focusing on research, development, and high-level strategic policy and legal engagement at the intersection of information and communication technologies, human rights, and global security. Professor Deibert will speak to us about his new book *Chasing Shadows: Cyber Espionage, Subversion, and the Global Fight for Democracy*.

Now that the weather has started to improve, our attention will turn to matters such as gardening, cottages and summer trips. With respect to the latter, the incremental loss of jet fuel caused by the closure of the Strait of Hormuz may seriously constrain travel inside the country, or internationally. It is clear that, at the moment, the US attempt to pressure Iran to concede to US demands is simply not working, and that Iran has effectively taken control of the Strait. This situation cannot be tolerated for much longer, and the US does not hold many cards (while touting otherwise), and a return to kinetic action may once again be their default 'strategy'.

Please have a safe and pleasant summer, and I look forward to seeing on June 24 for Professor Deibert. 🍀

—Dr. Dan Eustace
Director, Defence and Security Studies



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Diplomacy—The Hon. Christopher Alexander: A Geopolitical SITREP: Canada, Conflict, and the Return of Hard Power

The contemporary international environment has already crossed a threshold into war-time conditions, even if this reality is not widely perceived as such within Canada. From Afghanistan to Ukraine, and across the Middle East, allied forces are engaged in conflicts defined not by accident but by deliberate hostile action. Yet domestically, the sense of urgency remains muted. Canadian political discourse often focuses on proximate and personalized concerns—particularly developments in the United States—while underappreciating the deeper structural forces shaping global instability. These forces predate current political figures and will persist beyond them. To understand the present moment – including President Trump, who is arguably a symptom and not the sole or paramount cause of structural international change – and to formulate an adequate response, one must conduct a broader geopolitical assessment grounded in historical perspective.

At the end of the Cold War, the prevailing assumption in Canadian and Western policy circles was that globalization, free trade, and multilateral institutions would mitigate conflict and foster convergence within international society. By the 1990s, diplomacy itself was often subordinated to economic priorities, with trade liberalization seen as the principal instrument of international engagement. In this environment, Canadian foreign policy—like that of many allies—shifted toward minimizing long-term commitments while emphasizing market integration. However, the results of this approach have been mixed at best. While the North Atlantic Treaty Organization (NATO) and the European Union (EU) expanded, and some regions experienced democratic gains, these advances were uneven and frequently reversible. The decade closed with genocide in Rwanda and Srebrenica, alongside a resurgence of corruption, authoritarianism, and geopolitical rivalry.

Three developments around the year 2000 fundamentally altered the trajectory of the international system. First, the rise of Vladimir Putin marked the re-emergence of a revanchist Russia intent on restoring elements of its former empire. This shift was widely misread in Western capitals, where early engagement with Moscow proceeded on the assumption of continuity rather than rupture. In reality, the consolidation of power by former security elites signaled a long-term strategic project rooted in deception, coercion, and territorial revisionism.

Second, events in the Middle East—particularly Israel’s voluntary withdrawal from southern Lebanon in 2000, and the ensuing strengthening of Hezbollah—accelerated Iran’s evolution toward a strategy of proxy warfare. This laid the foundation for what would become a broad “axis of resistance,” extending Iranian influence across multiple states through non-state actors and militias. These dynamics unfolded before the attacks of September 11, 2001, which themselves reshaped Western military engagement but did not address the underlying sources of instability.

Third, the early 21st century was further transformed by China’s accession to the World Trade Organization (WTO) in November 2001. Over the following decades, China’s export-driven growth reached an unprecedented scale, while its adherence to WTO norms remained selective and inconsistent. This imbalance contributed to economic dislocation in many Western societies, fueling political discontent and the rise of populist movements. The resulting domestic pressures have, in turn, complicated coherent foreign policy responses.

Meanwhile, Western strategic focus remained disproportionately fixed on Afghanistan and Iraq. These campaigns, while significant, diverted attention from state actors such as Russia, Iran, and Pakistan, whose actions had enduring geopolitical consequences. Failures to enforce red lines in Syria, to provide credible security guarantees to Ukraine and Georgia, or to stabilize post-intervention environments, such as Libya, contributed to cascading effects: civil wars, mass migration, political radicalization in Europe, and expanded opportunities for adversarial influence.

Against this backdrop, Canada’s international role diminished in material terms. Defence spending declined, diplomatic capacity was constrained, and the country remained absent from the United Nations Security Council for extended periods. Yet despite these limitations, Canada achieved several notable successes that demonstrate the potential for middle-power influence

when exercised with clarity and resolve.

Foremost among these was the decision in 2003 to decline participation in the invasion of Iraq. This choice reinforced Canada's reputation for independent judgment and underscored the importance of political autonomy in foreign policy. Conversely, Canada's leadership in Afghanistan—particularly its combat role in Kandahar—demonstrated the impact of sustained military commitment. Canadian forces played a pivotal role in NATO operations, contributing to tangible gains against insurgent forces and shaping allied engagement.

Canada also played a significant role in advancing the Responsibility to Protect doctrine, notably during the 2011 intervention in Libya. Although the long-term outcome in Libya remains contested, the initial operation reflected effective multilateral coordination and principled use of force as authorized by international bodies. As well, Canada pursued ambitious trade agreements, including the Comprehensive Economic and Trade Agreement with the EU and participation in the Trans-Pacific Partnership, diversifying its economic partnerships in the process.

In response to Russian aggression following the annexation of Crimea in 2014, Canada was among the leading advocates for sanctions and for Russia's expulsion from the G8. It also initiated early training missions for Ukrainian forces after 2014, contributing to their resilience later demonstrated in the face of Russia's full-scale invasion. More recently, increased defence spending commitments signal a renewed recognition of the need for military capability as a foundation of international influence.

Despite these achievements, the current strategic environment is defined by interconnected threats. Russia's ongoing war in Ukraine represents the most immediate challenge to international peace and security, but it is closely linked to broader patterns of cooperation among revisionist states. Moscow's alignment with Tehran, its engagement in proxy conflicts, and its influence operations across democratic societies illustrate a comprehensive approach to contesting the existing order. China's assertiveness in the Indo-Pacific and Iran's network of proxy actors further reinforce this trend toward intense global competition.

Historical patterns suggest that Russian behaviour has repeatedly been at the forefront of major changes in the international system. From imperial expansion in the 19th century to ideological confrontation in the 20th, and now to hybrid and conventional warfare in the 21st, Moscow has consistently acted as a catalyst for geopolitical transformation. This continuity underscores the need for sustained and coordinated responses rather than ad hoc reactions. There is going to be a showdown, a larger showdown with Russia, whether we like it or not. If we are responsible, we will square up to that challenge now and try and make it happen and prevail in it in a way that costs far less than it will if we continue to neglect it.

For Canada, the implications are clear: diplomacy must be integrated with credible military, economic, and informational capabilities. The traditional distinction between peace and war has eroded, replaced by a continuum of competition in which state and non-state actors employ a full spectrum of tools. In this context, several strategic priorities emerge.

First, Canada must strengthen its capacity to defend its own sovereignty, particularly in the Arctic, through enhanced naval, air, and technological capabilities. Second, it should work with like-minded middle powers to deepen economic and political integration, creating resilient networks that can offset the influence of larger adversarial or unpredictable states. Third, Canada should contribute actively to the defence of Ukraine and to broader efforts to deter further Russian aggression in Europe. Fourth, it must adopt a more assertive stance toward state-sponsored terrorism and proxy warfare, including through targeted sanctions and diplomatic initiatives. Fifth, Canada should reassess its economic relationship with China, ensuring that market access aligns with principles of reciprocity and national security. Finally, the country must prioritize the integrity of its information environment, developing mechanisms to counter foreign interference and protect democratic discourse.

Underlying these initiatives is a broader imperative: to move beyond a reactive posture and to anticipate emerging challenges. Diplomacy, in this sense, is not merely a process of negotiation but a strategic instrument for shaping outcomes. It requires clarity of purpose, alignment with allies, and a willingness to incur short-term costs in pursuit of long-term stability.

The international system is entering a period of heightened risk, in which the consequences of inaction may exceed those of engagement. For Canada, the question is not whether it can influence global events, but whether it will choose to do so. Past experience demonstrates that even



with limited resources, decisive action can yield disproportionate impact. The task now is to apply those lessons to a more complex and contested environment.

Ultimately, the effectiveness of Canadian policy will depend on public will as much as on institutional capacity. In recent years, it has seemed as though Canada was too far gone in its strategic apathy, that Canadians' indifference to geopolitical developments had advanced beyond remedy. But over the past year, there have been flickers of life across Canada. Some of the embers of past international proactivity and engagement seem to be burning brighter. There is now a growing sense that the old torch may have been passed on after all, and that with the right leadership, policies, and public engagement, Canadian diplomacy and Canadian political leadership may yet rise to meet the challenges of the new era. ✳

This article is a summarized version of the original conference video transcript, compiled using AI, and edited by Mr. Simon Waring.

Information—Shachi Kurl: Public Opinion and Strategic Policy: The Political Foundations of Canadian Security

Canadian foreign and defence policy is not formulated in isolation within cabinet rooms or strategic headquarters. It is shaped—often decisively—by public opinion, political incentives, and the broader informational environment in which elected leaders operate. Every major decision, particularly those involving national security, must ultimately be defensible to a domestic audience. This reality imposes both constraints and opportunities, especially at a moment when Canada appears poised for a significant recalibration of its international posture.

Recent shifts in Canadian public opinion have been both rapid and consequential. Over the past year, external shocks—most notably the political dynamics emanating from the United States—have triggered a reassessment of Canada's security assumptions. What began as rhetorical provocation has evolved into something more substantive: a widespread recognition that Canada's sovereignty and strategic autonomy cannot be taken for granted. This realization has had a measurable impact on attitudes toward defence policy.

For decades, Canadian priorities in international affairs were dominated by trade and economic considerations. Military readiness consistently ranked as a secondary or even tertiary concern, while humanitarian engagement occupied a stable but limited space in the national imagination. That hierarchy has now shifted. For the first time in modern polling history, Canadians identify military readiness as the foremost priority in the country's global role, surpassing both trade and humanitarian objectives. This represents a fundamental reordering of public expectations.

Support for increased defence spending has risen sharply as well. Where only a small minority previously endorsed higher military expenditures, roughly one-third of Canadians now express support for greater investment. While this does not yet constitute a majority, the speed and scale of the shift are significant. Similarly, long-standing resistance to major national infrastructure projects—particularly in areas such as energy development—has softened when framed in terms of economic sovereignty and national security. These trends suggest a growing willingness among Canadians to reconsider previously entrenched positions in light of perceived external threats.

Political conditions have also contributed to this moment of fluidity. The presence of a majority government reduces the immediate pressures of partisan competition, allowing for a more coherent articulation of policy objectives. It creates space for decisions that might otherwise be constrained by electoral considerations or opposition dynamics. However, this advantage is inherently temporary. Parliamentary majorities can erode quickly, and external crises—from economic shocks to constitutional debates—can rapidly redirect public attention and political capital.

Despite these changes, important structural constraints remain. Chief among them is a persistent gap between public sentiment and practical commitment. Canadians may express support for enhanced defence capabilities in principle, but this support often dissipates when confronted with the concrete implications of such policies. This “say-do gap” is a recurring feature of Cana-

dian public opinion and represents a significant challenge for policymakers.

Recruitment into the Canadian Armed Forces illustrates this problem with particular clarity. Demographic trends and shifting social attitudes have reduced the pool of individuals willing to serve. Survey data indicates that while a substantial proportion of Canadians claim they would volunteer in the event of a conflict, this willingness is heavily skewed toward older cohorts. Among younger Canadians—the primary recruitment base—interest in military service is markedly lower.

This reluctance is shaped by several factors. For some, concerns about institutional culture, including issues related to gender equality and workplace conduct, act as deterrents. For others, the decision to serve is increasingly conditional, contingent on agreement with the specific cause or mission. Unlike earlier generations, which often responded to calls for service in more categorical terms, younger Canadians are more likely to evaluate participation through an individualized and values-based lens. This shift complicates recruitment efforts and underscores the need for a clearer articulation of purpose.

The implications extend beyond personnel. Defence policy requires not only funding and equipment but also a trained and deployable force. Investments in hardware are of limited value in the absence of sufficient human capital. As such, recruitment challenges represent a foundational constraint on Canada's ability to translate policy intent into operational capability.

A second constraint lies in the volatility of public attention. The current alignment of opinion in favour of increased defence spending and strategic engagement is unlikely to persist indefinitely. Public priorities are highly responsive to immediate concerns, particularly those related to cost of living, healthcare, and domestic economic conditions. National security issues, while capable of commanding attention during periods of crisis, often recede once the immediacy of the threat diminishes.

This dynamic creates a narrow window for policy action. Governments must act decisively while public support is present, recognizing that competing priorities will inevitably reassert themselves. The challenge is compounded by the scale of proposed commitments. While there is broad acceptance of increasing defence spending to meet existing NATO benchmarks, significantly higher targets—such as expenditures approaching 5 percent of GDP—face considerable resistance. For many Canadians, such levels of spending are difficult to reconcile with pressing domestic needs.

The international environment further complicates this picture. Potential disruptions, including trade renegotiations, regional political developments, and global economic instability, could quickly shift the focus of public debate. For example, changes to North American trade arrangements would have immediate and tangible impacts on Canadian communities, potentially overshadowing longer-term strategic considerations. Similarly, constitutional questions or regional political movements could redirect national attention inward.

A third and related challenge is the tendency toward symbolic rather than substantive engagement. Canadian public responses to international crises often emphasize expressions of solidarity—through humanitarian assistance, public demonstrations, or symbolic gestures—while stopping short of endorsing more direct or costly forms of involvement. This pattern was evident in responses to the war in Ukraine, where support for humanitarian aid was strong, but enthusiasm for military assistance or troop deployment was more limited.

This distinction is critical. Effective participation in international security requires a willingness to employ a full spectrum of tools, including those that carry higher risks and costs. Without such willingness, increased defence spending may fail to achieve its intended strategic effects. The credibility of Canada's commitments—both to allies and to adversaries—depends on the alignment between declared intentions and actual capabilities.

At a broader level, these dynamics highlight the importance of political leadership in shaping public understanding. Public opinion is not static; it evolves in response to information, framing, and experience. Leaders who can effectively communicate the stakes of international engagement, and who can connect abstract strategic concepts to tangible national interests, are better positioned to sustain support for necessary policies.

This requires a deliberate effort to bridge the gap between expert discourse and public perception. Strategic issues must be translated into terms that resonate with everyday concerns, demonstrating how international developments affect domestic well-being. Without this connection, policy initiatives risk being perceived as distant or irrelevant, undermining their legitimacy.



The current moment, therefore, represents both an opportunity and a test. The convergence of external pressure and internal reassessment has created conditions in which significant policy shifts are possible. However, realizing this potential depends on the ability to convert transient public concern into durable support for sustained action.

The central risk is that the present alignment of opinion will prove ephemeral, dissipating before meaningful changes can be fully implemented. Avoiding this outcome requires a disciplined approach to policy execution, one that prioritizes tangible results and maintains coherence across different domains of national power.

In practical terms, this means ensuring that increased defence spending is accompanied by improvements in recruitment, training, and operational readiness. It means aligning diplomatic initiatives with broader strategic objectives, and integrating economic policy into a comprehensive framework of national security. Above all, it requires consistency—an ability to maintain direction even as circumstances evolve.

Canada's strategic future will be shaped not only by external threats but also by internal choices. Public opinion will continue to influence those choices, but it need not dictate their limits. With effective leadership and clear communication, it is possible to build a more solid foundation for Canadian security policy—one that balances responsiveness to public sentiment with the demands of an increasingly complex international environment. ✦

This article is a summarized version of the original conference video transcript, compiled using AI, and edited by Dr. Daniel Eustace

Military—Major-General (Ret'd) Denis Thompson, Five Contemporary Military Challenges Now

The Arctic: Operational Reality vs. Strategic Rhetoric

I will begin, unsurprisingly, with the Arctic. In my view, the Arctic must be understood as four distinct operational regions:

First: the Russian Arctic.

This is a heavily developed region, with a population exceeding two million. It has significant infrastructure, established resource extraction, and a functioning sea line of communication along the Northern Sea Route. It is also geographically exposed, with limited natural cover—an important factor in military operations.

Second: Scandinavia.

This region has a smaller population but far superior infrastructure, including ports, rail, and year-round maritime access due to the Gulf Stream. Unlike the Russian Arctic, it offers substantial terrain cover, which has clear tactical implications.

Third: Arctic North America (Mainland).

This includes Alaska and northern Canada. Alaska has relatively robust infrastructure and approximately 750,000 residents. Northern Canada, by contrast, has minimal infrastructure and limited population. Outside a few locations, access is primarily by air. Port infrastructure is extremely limited, which has direct implications for both logistics and maritime security.

Fourth: the High Arctic (Canadian Archipelago and Greenland).

This region is effectively uninhabited, aside from a handful of small communities established in the mid-20th century. It is austere, remote, and inhospitable. Any assumption that presence alone can sustain sovereignty in this region is deeply flawed.

Arctic War Game: Key Findings

At the Royal Canadian Military Institute, we conducted a war game to test Arctic operational assumptions.

The scenario was deliberately constructed:

- A global LNG crisis triggered by closure of the Strait of Hormuz
- The Panama Canal rendered unusable
- Russian denial of access to the Northern Sea Route
- Result: Western nations forced to transit LNG shipments through the Northwest Passage

The mission: escort six LNG carriers through contested Arctic waters under threat from Russian forces.

The war game was run multiple times across different institutions, including McGill University and the Conference of Defence Associations Institute.



Core conclusions:

1. Persistent surveillance is foundational.

We must be able to monitor the Arctic “from seabed to space.” This requires:

- Space-based ISR (e.g., RADARSAT Constellation Mission)
- Airborne early warning systems
- Maritime patrol aircraft such as the Boeing P-8 Poseidon
- Uncrewed systems like the MQ-9 Reaper
- Over-the-horizon radar systems
- Seabed sensor networks (SOSUS-type arrays)

2. The Western Arctic is the critical axis.

Threat vectors are far more likely to emerge through the western approaches. This elevates the importance of locations such as Inuvik and Tuktoyaktuk, rather than more frequently cited eastern Arctic locations.

3. Capability gaps remain acute.

These include:

- Delays in fighter procurement (notably the Lockheed Martin F-35 Lightning II)
- Insufficient surface-to-air missile systems
- Lack of long-range strike capabilities
- Limited aerial refuelling capacity
- Weak logistical infrastructure

4. Infrastructure is decisive.

Dual-use infrastructure—roads, ports, airfields—serves both sovereignty and military effectiveness. This is an area where investment yields strategic returns across multiple domains.

Latvia and NATO Commitments

Turning to Latvia, where Canada leads a NATO battleground. The key strategic question is whether this deployment is sustainable in a contested environment—particularly given the vulnerability of the Suwałki Gap between Belarus and Kaliningrad.

Current analysis suggests that maintaining maritime control in the Baltic Sea—enabled by Nordic allies—will be essential to sustaining forces in the Baltic states.

Operational observations from theatre:

- Absence of tactical UAVs at the platoon level—a critical deficiency in modern warfare
- Vehicle readiness rates (~60%) constrained by spare parts shortages
- Fragile communications architecture, reliant on pre-positioned infrastructure
- Thermal signature issues in armoured vehicles due to lack of auxiliary power units

These are not abstract problems—they directly affect survivability and combat effectiveness.

Force Structure and Capability Gaps

The structural decline in capability is stark:

- Infantry battalions reduced from ~800 to ~500 personnel
- Artillery largely limited to towed systems (e.g., M777 howitzer)
- Limited engineering and bridging capability
- Insufficient stockpiles and sustainment capacity

For a G7 nation, this should be a matter of serious concern.

The Role of the Reserves

The reserves must be employed realistically.

Rather than attempting to mirror regular force capabilities, they should:

- Focus on scalable, trainable roles (e.g., infantry augmentation)
- Expand in areas such as cyber and domestic response
- Provide mass, which remains indispensable in high-intensity conflict

Procurement: Structural Dysfunction

Finally, procurement.

The current system is fragmented across multiple departments, including:

- Department of National Defence
- Public Services and Procurement Canada
- Innovation, Science and Economic Development Canada

Each operates under separate ministerial accountability, creating systemic friction.

A more effective model would be:

- A **single integrated defence acquisition organization**
- Lifecycle management of equipment “from cradle to grave”
- Consolidated legal authority under one accountable entity

This approach is outlined in the work of Chuck Davies and would significantly reduce delays and inefficiencies.



Conclusion

To summarize:

- **Sustain:** the increased funding and strategic focus
- **Improve:** virtually every aspect of capability delivery and force readiness

The central issue is not conceptual—it is execution.

We understand the problems. The question is whether we are prepared to act with the urgency and coherence required to solve them. 🍁

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Economic—Dan Ciuriak: The Economic Dimension of Power for a Small Open Economy in the Age of Machine Knowledge Capital

Canada as a Small Open Economy

One of Canada's enduring contributions to economic theory and empirical practice is the concept of a “small open economy”. This was introduced by Canadian economist Robert Mundell in his work at the International Monetary Fund with Marcus Fleming. The Mundell-Fleming model demonstrated that a small open economy behaved differently in response to fiscal stimulus than a large, quasi-closed economy like the United States. In the small open economy, fiscal stimulus, would be rendered ineffective because of capital flows and exchange rate adjustments. Simply put it would leak out.

They are different in other ways. Countries with large markets can increase tariffs to extract terms of trade gains as trading partners lower their prices to retain market shares in the large and strategically important markets. That doesn't work for small open economies. Empirical research shows that exporters do not price down; domestic consumers pay the tariffs.

Moreover, small open economies are much more vulnerable to retaliation because they are more dependent on exports for economic efficiency and for revenues to finance the imports on which they depend for economic security and economic welfare. Canada found that out when it put up 100% tariffs on Chinese electric vehicles (EVs), aligning with U.S. trade war policy. China's retaliation targeted Canada's canola exports. While both Canada's EV tariffs and China's canola tariffs were largely performative (Ciuriak 2026), both were removed before they had a chance to do much damage.

More subtly, small open economies tend to have much greater gains from trade,¹ which makes them vulnerable targets for exploitation through coercion – they have more to lose and thus more to transfer in a tariff war. By the same token, small open economies can't afford to take their trade ball and go home – while countries diversify greatly as they grow, as Hausmann et al. (2013) have shown through the *Atlas of Complexity*, even a G7 country like Canada cannot seriously contemplate an approach to economic security based on its own production.

Hardly surprisingly, therefore, it is the small open economies (including the European Union which is a collection of small open economies) have responded to geoeconomic power plays by looking to buttress the rules-based system. Notable steps include the development of an alternative dispute settlement mechanism in the World Trade Organization (WTO)² when the United States blocked the appointment of Appellate Body members; pushing ahead with the Trans-Pacific Partnership after Donald Trump pulled the United States out. Today, in the face of risks to the Canada-U.S.-Mexico Agreement (CUSMA), Canada and Mexico can continue relatively frictionless trade under the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP).

Meanwhile, Prime Minister Carney has floated the idea of “building a bridge” between the CPTPP and the EU27 to “create a new trading block of 1.5 billion people” (Carney 2026); this would be effectively a “small open economy caucus” as elaborated by Paulsen and Ciuriak (2015) to enhance economic security of countries that need to trade. Prime Minister Carney also pointed

1 Costas Arkolakis et al. (2012) show that across a range of established quantitative trade models, the welfare gains from trade can be calculated from the import penetration ratio (the share of imports in domestic consumption) and the trade elasticity. Since small, open economies have much higher import penetration ratios than large, quasi-closed economies such as the United States, their welfare gains from trade are commensurately higher. Ossa (2015) shows that the gains from trade using this approach are much higher when account is taken of cross-industry variation in trade elasticities since imports in some industries are critical to the functioning of the economy.

2 Canada and the European Union formalized an interim bilateral arbitration solution on 25 July 2019 in response to the U.S. blocking action on Appellate Body appointments; this evolved into the Multi-Party Interim Appeal Arbitration Arrangement (MPIA), which replicates the WTO appeal process as closely as possible and has grown to 60 members (including the 27 individual members of the European Union). Notably, one of the MPIA members is China. See: https://wtoplurilaterals.info/plural_initiative/the-mpia/

to the “buyer’s club” for critical minerals to counter the economic coercion potential from China’s dominance of supply in that sector.

In short, in geoeconomic terms, small open economies walk softly *and* carry small sticks – but they also form clubs. Or, put another way, they add their voice to a choir (Pinchis-Paulsen and Ciuriak 2026), a rather pleasant way to think of collective action, emphasizing harmony and following an agreed score. Also, very Canadian.

What Strengths Does Canada Bring to the Choir?

While this characterization is all well and good, there is the uncomfortable reality that even a choir must bring “hard power” assets to a geoeconomic conflict. And here it matters what Canada can contribute.

Canada accounted for about 1.82% of global GDP in 2025. So there is not a lot of weight to throw around. But Canada does have some generally acknowledged strengths being a net agricultural and energy exporter, strengths in minerals and basic commodities, and super-abundant in fresh water and living space – climate change is actually working in our favour.

Canada is also stable and our economic institutions are functional: general government revenue as a share of GDP was estimated by the IMF to be 42.45% in 2025, which bespeaks a high trust society. And Canada pays that back with a functional social compact as reflected in a longevity premium over the United States (Ciuriak and Samson 2026). We have low net debt (only 13.28% of GDP in 2025 going by the IMF’s 2026 World Economic Outlook), which is silent testimony to the fact that Canada has saved for the rainy day that now is looming on our horizon. And our financial system is a paragon of stability – some might say too stable, but that is an issue that should be discussed in the context of the small open economy model in which stimulus leaks.

Finally, and importantly for an age of innovation, Canada has remarkable strengths in research (not development – but we’ll get to that), and an excellent start up culture (our challenge is in scaling – we’ll get to that too).

As John Maynard Keynes famously said, a country can afford anything it can do – and Canada can do a lot. But, to bring us back down to Earth, the question is what can it *not* do? To get at this question, we have to look at the technological context.

The Fifth Age of Capital

Technological change is inherently “revisionist” in that it changes the sources and distribution of wealth and the political and military power to which wealth gives rise, internally within economies and internationally.

Humanity has gone through four major changes in productivity technology: harnessing land through cultivation/irrigation; harnessing the machinery of mass production (the industrial revolution starting in earnest around 1820); harnessing computational power (the computer revolution and the knowledge-based economy starting around 1980); and harnessing data (the data-driven economy, starting around 2010).

Each transition introduced a new source of surplus or “economic rent”, which changed literally everything – social organization and politics, the spatial location of production, the material basis for empire and by extension the drivers of international relations, with implications for economic security and indeed for sovereignty.

We are now in a fifth transition to a world of machine knowledge capital, which is introducing a scalable substitute for human knowledge capital. Human knowledge capital is the very basis of social, economic and political organization in advanced economies. The watershed event was the release by OpenAI of ChatGPT on 30 November 2022.

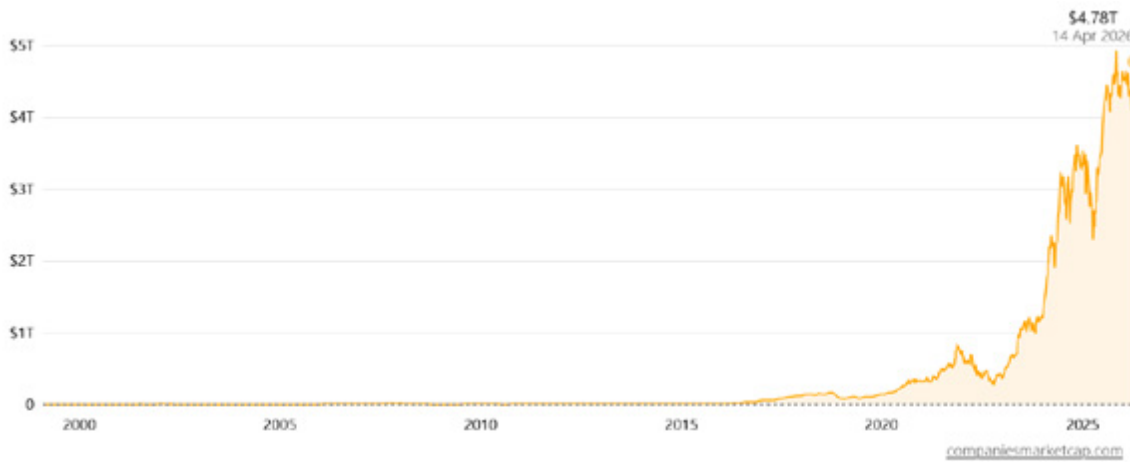
On the previous day, 29 November 2022, I gave a talk at an Ottawa consultancy in which I remarked with wonder the enormous strides that had been made in the preceding several years in scaling artificial intelligence (AI) systems – the scale of computer chips for AI had reached 2.6 trillion transistors; the numbers of parameters in AI models had risen from the tens of billions to the ten trillion mark. The efficiency of training methods had risen by orders of magnitude. My next slide showed a tsunami wave about to break on shore. Pure coincidence of course – but the numbers were saying that something big was coming – and that big thing was generative AI.

Each age had its “hockey stick” upturn in an indicator – for the original industrial revolution, it was the upturn in GDP; for the knowledge-based economy, it was the upturn in patents; for the



data-driven economy, it was the upturn in data. For the machine knowledge capital transition, the upturn can be seen in the market capitalization of Nvidia, which supplies the hardware for this economy. Nvidia's market cap hit a low of about USD 280 billion just before ChatGPT dropped. It broke the \$5 trillion mark

Nvidia Market Capitalization, USD billion, 1999-2025

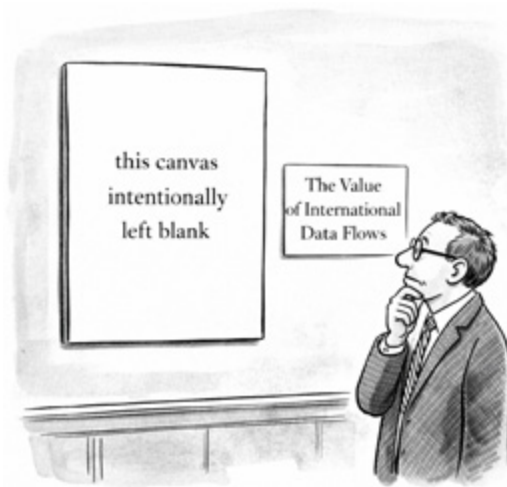


Source: <https://companiesmarketcap.com/cad/nvidia/marketcap/>; accessed 14 April 2026.

Canada's Strengths and Challenges in the Age of Machine Knowledge Capital

Canada fared well in the industrial age because it belonged to the British Empire and thus escaped the fate of the Monroe Doctrine zone. Canada also prospered in the knowledge-based economy because that economy played to Canada's accumulated strengths in human capital and because it distributed production through global value chains, which allowed Canada (along with many other small open economies) to fully participate. In fact, Canada's share of the global economy excluding China in 1980 was 2.09%; by 2010, it had risen to 2.45%; while the United States also did well, Canada actually increased in size relative to the United States for 9.7% to 10.7% - the usual measuring stick for Canada-US comparisons.

But Canada shrank in relative terms during the data-driven economy (2010-2022), falling from 10.7% the size of the US economy to 8.4%. We did not recognize that we were in a new type of economy. We talked about data as the "new oil" – but the value of international data flows was not measured.



The US recognized the value of data and insisted on "free flow of data and no data localization" in its treaties – Canada acquiesced and traded it away. The basic trade was a barter trade of "free" internet services in exchange for the data. It was "beads for Manhattan" all over again.



“It’s settled then – we provide the internet services and you allow us to use the data.”

See: [Negotiating CUSMA on a Dog Day Afternoon](#)

The US captured the value of data and leveraged it through wealth effects on consumption and multiplier effects on investment to grow its share of global GDP excluding China from 22.8% to 28.7%. There are many theories of the case, but the straightforward interpretation is that, without data, the Magnificent Seven would still be just a 1960s movie. Canada’s relative decline accelerated with the dawn of the age of machine knowledge capital, falling to 7.4% of the size of the United States in 2025 (Ciuriak 2026)

A Theory of the Case

The data-driven economy – data plus predictive AI – was one of hyperscalers and unicorns (a term coined by Aileen Lee in 2013 for a private firm with US\$ 1 billion valuation). Canada generated no hyperscalers and fell behind on Unicorn counts.

Table 2: Unicorn Counts, as of 7 October 2025

Region	Unicorns (number)	Unicorns (% of Total)
United States	718	55.7%
China	166	12.9%
Global North	277	21.5%
Global South	129	10.0%
Total	1,290	100.0%
Memo: Canada	21	1.6%

Source: CB Insights (2025).

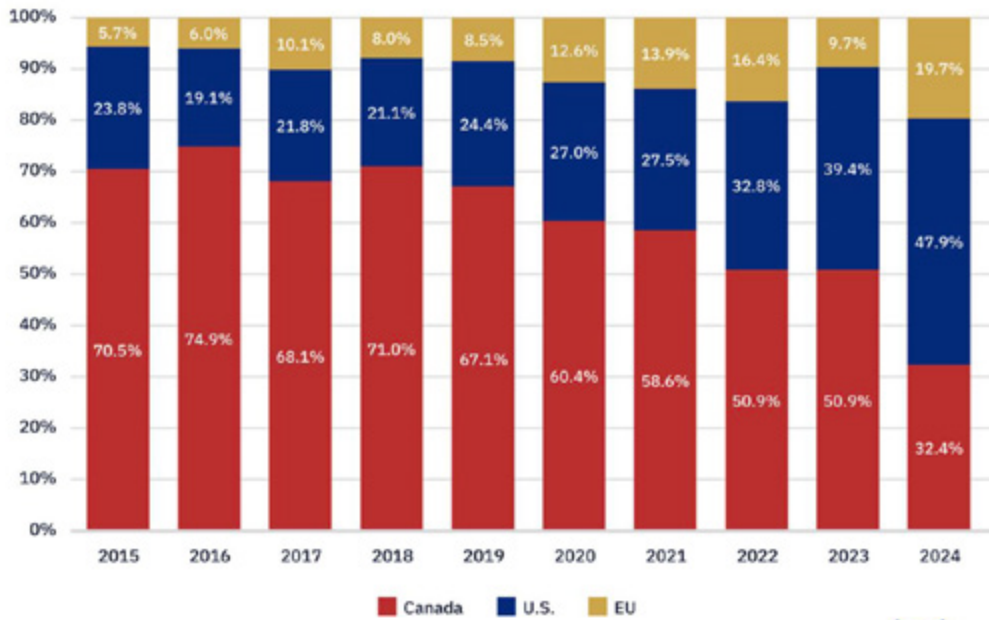
One reason for under-performance on unicorns: we have been bleeding out companies. The decline in the share of Canadian-founded companies still in Canada in 2024, the second year of the age of machine knowledge capital was shocking.

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Percent of Overall Canadian Founded Companies by Location

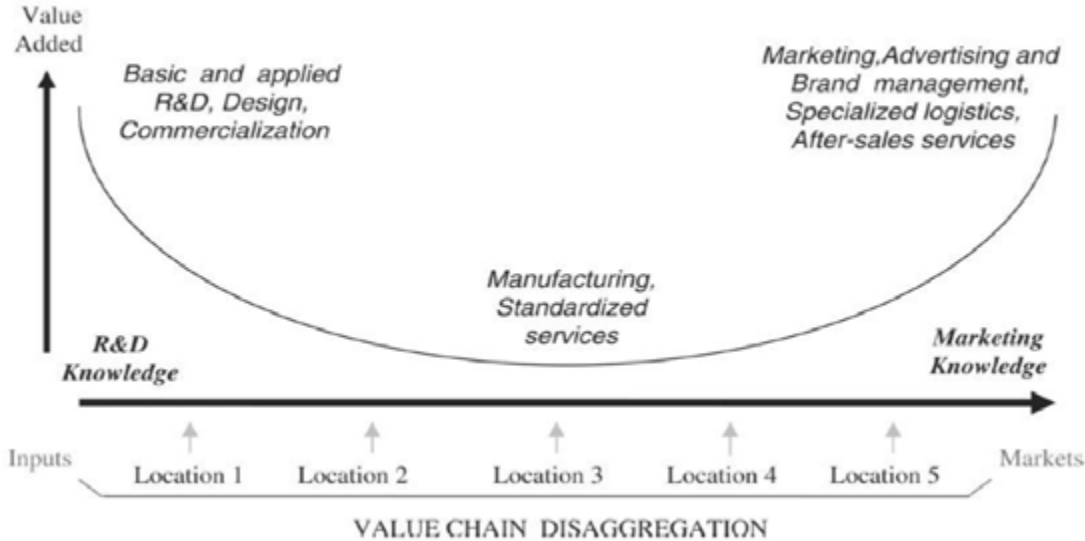
BASED ON COMPANIES THAT RAISED MORE THAN \$1 MILLION AND FOUNDED BY CANADIANS



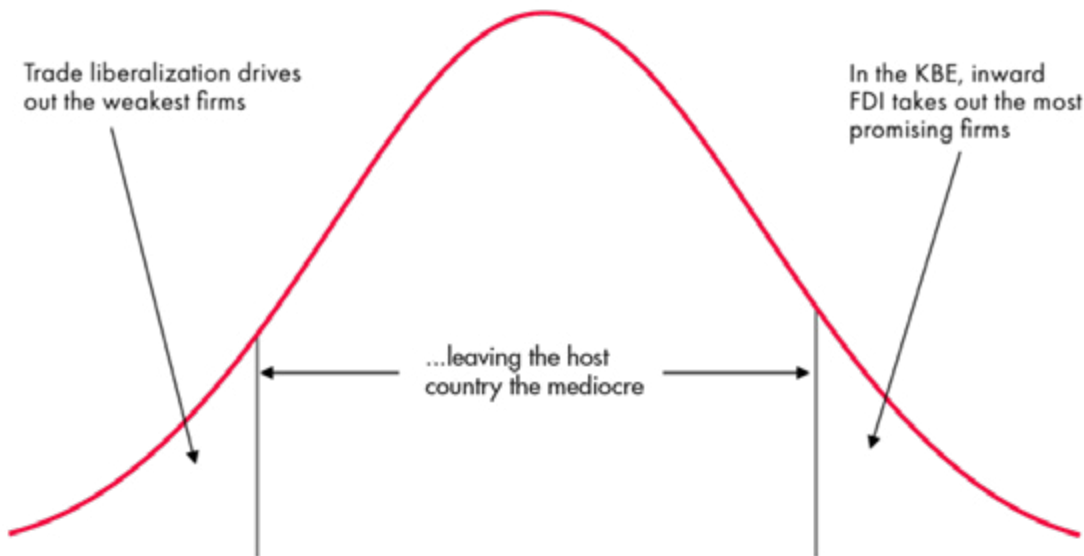
Source: Leaders Fund



But who was counting? Canadians were focussed on productivity, innovation indicators etc. But all GDP happens inside a firm and by extension so does all productivity. All innovation happens inside a firm. All trade is generated by firms. Value-added is captured by firms that generate IP – the corners of the “Smile Curve”. The firms in the middle just make a living.



Along with its companies, Canada bled out its value-added (i.e., its GDP). Its comparative advantage was decided by others – and that was at the bottom of the Smile Curve. The Investment Canada Act remained framed for the traditional industrial economy, when FDI brought *in* tech, not the KBE when FDI *extracted* tech. Canada was not counting firms.



Several examples illustrate the point (Ciuriak 2026):

- DNNresearch, the startup company founded by Geoffrey Hinton, the father of deep learning, and his students Alex Krizhevsky and Ilya Sutskever at the University of Toronto was acquired in 2013 by Google; Sutskever would of course go on to greater things as co-founder and chief scientist at OpenAI (CBC News 2013). Note that DNNresearch was the 9th Canadian company bought by Google as of that date.
- Deep learning startup Maluuba, founded by AI pioneer Yoshua Bengio, was acquired in 2017 by Microsoft, with Bengio becoming an adviser (Shum 2017).
- Waterloo-based startup DarwinAI, founded by Alexander Wong, the Canada Research Chair in Artificial Intelligence, was acquired in 2024 by Apple, with its founder and key staff becoming employees (Gain 2024).
- Tenstorrent, a Toronto-based chip manufacturer that redomiciled to Delaware and set up shop in Santa Clara, California, in 2024 citing a restriction faced by one of its major US investors in its \$700 million USD Series D funding round faced unless Tenstorrent made the move, which dealt a body blow to the Sovereign AI Compute Strategy launched pursuant to Budget 2024 (Soltys 2024; Scott 2024 and 2025b).

Lose your firms and you lose your economy's *capabilities*. The productivity and innovation performance “crises” are all endogenous consequences. These crises can't be solved with tax tweaks, competition policy, banking reform, or even venture capital, they are solved by retaining and scaling firms.

This matters in a critical area of economic “power”: defense technology. Defense tech is heavily dependent on data and dual-use technologies, not only in C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance) capabilities, but beyond.

“The future is here, on the battlefield, and Ukraine is creating it. These are our ground robotic systems. For the first time in this war's history, an enemy position was taken exclusively by unmanned GRS platforms and drones. The occupiers surrendered, and this operation was completed without infantry involvement and without losses on our side. Ratel, Termite, Ardal, Lynx, Zmiy, Protector, Volya and other GRS completed over 22 000 missions at the front in just 3 months. In other words, over 22 000 times lives were saved. A robot went into the most dangerous zones instead of a soldier» - Zelenskyy's address to the workers of Ukraine's defense-industrial complex. April 13th, 2026.” [Volodymyr Zelensky, President of Ukraine.](#)

This area is moving rapidly. Canada has announced the target of 5% of GDP spending on defense within 10 years; 3.5% of this is to be on core defense. Canada needs to capture a significant part of this projected spending to generate the domestic economic growth to pay for it. As well, it is well understood that much of this has to be dual use to also drive the civilian economy.

But Canada's defence industrial base accounts for only **0.26% of GDP** in domestic sales of core defence goods and services (ISED-CADSI 2024). The gap between the actual 0.26% of GDP and the **targeted 3.5% of GDP** on core defence spending in 2035 is more than striking. This is a mountain to climb for Canada in building domestic capabilities – aka “firms”.

The World of Machine Knowledge Capital

The world of machine knowledge capital (MKC) – data plus generative/agentive AI – has decisively shown itself to be different from the world of the data-driven economy (DDE) – data plus predictive AI. The DDE was capex-light; MKC is capex-heavy – Nvidia's market cap vividly illustrates the difference between the two eras.

If we analyze the impact of generative/agentive AI from the automation possibilities in individual tasks in a pre-AI structure we get small numbers (Acemoglu 2024). But it is the change in structure that is 90% of the change.

The geoeconomic contest between the United States and China is highly asymmetric in areas that matter for the MKC:

- China entered the MKC era with two critical advantages over the United States – in the MKC, electricity for inference and critical minerals for the compute infrastructure are pivotal.
- The United States commands the lead in frontier models, with the very recent announcements of Anthropic's Mythos suggesting that lead is secure for the moment.
- The United States has a dominant lead in data centres with some 5,427, almost 50% of the world total and far in advance of China with a reported 449 (Leichter 2026) but China is building.

We experience endogenous technological and economic change as exogenous “shocks” because our models do not internalize the source of change. With machine knowledge capital, we lack a vocabulary – mathematical or linguistic – to describe what is going on. Our policy frameworks for trade policy, industrial policy, and innovation have yet to catch up to the DDE and we're already in a new age.

In a conventional framing of the DIME paradigm, Canada does not look badly positioned. If we consider the structural change implications, Canada's weaknesses in data capture and firm counts are dismaying. ✦

Keynote—The Hon. Bob Rae, Canada at a Strategic Inflection Point: Sovereignty, Capability, and the Discipline of Action

Canada faces a moment defined simultaneously by heightened global risk and renewed national opportunity. The deterioration of the international security environment—marked by great power competition, regional instability, and the erosion of established norms—has made it increasingly difficult to sustain the longstanding assumption that Canada can rely on others for its security. At the same time, there is growing recognition within government, the business community, and the broader public that a more serious and comprehensive approach to national power is required. The convergence of these dynamics suggests not only the necessity of change, but also the possibility of meaningful strategic renewal.

At its core, this moment demands a reintegration of the principal instruments of national power: defence, diplomacy, and development. For much of the post-Cold War period, Canada's approach to these domains was characterized by fragmentation, underinvestment, and a tendency toward declaratory policy unsupported by sufficient resources. That approach is no longer viable. A credible national strategy must rest on robust commitment to all three pillars, supported by sustained political will and aligned with the realities of contemporary conflict.

Historical experience provides both cautionary and instructive lessons. The 1940 Ogdensburg Agreement between the United States (US) and Canada marked a decisive turning point in this country's strategic thinking. It formalized the recognition that Canada's security required both serious domestic capability and deep cooperation with the US. This shift occurred in contrast to the earlier interwar period, when Canada allowed its defences to atrophy under the assumption that distance and diplomacy would suffice to keep the country secure. The consequences of that complacency became evident with the onset of the Second World War.

The wartime period and its aftermath demonstrated the capability of Canada to effect change on behalf of itself and others – and the corresponding scale of mobilization required when Canada chooses to act decisively. By 1945, Canada possessed one of the largest military forces in the world and had played a significant role in shaping the emerging international order. Yet this capacity was quickly reduced in the postwar years, reflecting a persistent tension in Canadian policy between engagement and retrenchment. The outbreak of the Korean War briefly interrupted this trend, underscoring the fact that external crises frequently compel renewed commitments, often on short timeframes.

The postwar leadership of figures such as Louis St. Laurent and Lester B. Pearson reinforced a critical insight: Canadian foreign policy must be grounded in both values and interests. This duality—often framed as the balance between moral purpose and material necessity—remains central today.

The contemporary environment, however, introduces new complexities. While there are elements of continuity with earlier periods—particularly in the need for cooperation with allies—there are also clear ruptures. The reliability of long-standing partners has come into question, global power is more diffusely distributed, and technological change has altered the character of conflict. In this context, Canada must reassess not only its external relationships but also its internal capacity to act.

A central theme emerging from this reassessment is the relationship between strategy and resources. Strategic ambition without corresponding investment is, in practical terms, illusory. The effectiveness of any policy—whether in defence, diplomacy, or development—depends on the allocation of sufficient means to achieve stated objectives. This principle has often been overlooked in Canadian policy debates, where aspirational language has outpaced operational capability.

The challenge is particularly evident in the domain of sovereignty, especially in the Arctic. Canadian claims to northern sovereignty are well established in legal and political terms, but their credibility depends on sustained presence and infrastructure. Historically, Canada's footprint in the North has been limited, relying on sparse administrative and security arrangements spread across a vast territory. External scrutiny—particularly from the US—has long highlighted the gap between Canada's assertions of control and our practical ability to enforce these claims. The principle is straightforward: sovereignty that is not exercised risks being tested and found to be hollow.

Recent developments have reinforced the importance of a more substantive approach. Indigenous self-government has become a central component of Canada's northern strategy, underscoring that sovereignty is not solely a function of military presence but also of enduring human settlement and governance. However, political agreements with First Nations, Métis, and Inuit partners must be matched by tangible investments in infrastructure, education, and economic development. Without these, the foundation of Canada's northern position remains incomplete.

Beyond sovereignty, Canada faces persistent structural challenges in defence capability. Recruitment shortfalls, procurement inefficiencies, and evolving operational requirements all constrain the effectiveness of the Canadian Armed Forces. Addressing these issues requires more than administrative reform; it demands a rearticulation of purpose. Recruitment, in particular, is closely tied to public perception. A clear sense of mission and pride in our armed forces—grounded in national interest and collective responsibility—is essential to attracting, retaining, and developing personnel.

At the same time, institutional shortcomings must be addressed in parallel. Concerns related to organizational culture, including issues of misconduct and inequality, cannot be deferred. However, resolving these challenges should not come at the expense of broader capability development. The imperative is simultaneous progress: building a more effective force while ensuring that it reflects the standards expected of a modern institution.



Procurement and technological adaptation present an additional layer of complexity. Contemporary conflicts, particularly in Ukraine, have demonstrated the rapid evolution of warfare, including the proliferation of drones, the importance of electronic warfare, and the increasing role of decentralized innovation. Traditional procurement models—characterized by long timelines and high costs—are often ill-suited to this environment. Greater flexibility, responsiveness, and openness to external learning are required.

The experience of Ukraine is particularly instructive. Early assessments by many Western analysts underestimated both the likelihood of Russian invasion and the capacity of Ukrainian resistance. These misjudgments reflect a broader limitation in strategic forecasting: the tendency to discount the role of national will and local context. Conflicts are not determined solely by material balances; they are shaped by morale, leadership, and the perceived stakes of the participants. For states defending their own territory, these factors can offset significant disparities in conventional power.

This insight has broader implications. It cautions against overreliance on technological superiority and highlights the importance of political cohesion and societal resilience. It also underscores the need for humility in strategic analysis, particularly in an era of rapid change and incomplete information.

Canada's experience in Afghanistan reinforces this point. While Canadian forces contributed meaningfully to operational success, the long-term outcome was ultimately shaped by political factors, including the willingness of contributing nations to sustain their commitments. Military capability, while necessary, is insufficient in the absence of enduring political support.

This brings the discussion back to the central issue of alignment between objectives, resources, and public will. Effective policy requires not only sound strategy but also the capacity to sustain it over time. This, in turn, depends on clear communication, realistic expectations, and a willingness to accept the costs associated with meaningful engagement.

Diplomacy remains a critical component of this framework. Canada's historical successes—most notably during the Suez Crisis—were achieved through the deliberate deployment of skilled personnel and coordinated political effort. Diplomatic capacity is not an abstract asset; it is a function of investment in people, institutions, and sustained engagement. Reductions in diplomatic capability diminish Canada's ability to influence outcomes, particularly in complex, multilateral environments.

The relationship with the US illustrates both continuity and challenge. While current political dynamics introduce a degree of unpredictability, the structural importance of the bilateral relationship remains unchanged. Continued engagement with the US across partisan, governmental, political, military, and societal boundaries is essential to maintaining alignment and managing differences. At the same time, Canada must be prepared to act independently where necessary, reinforcing its own capacity rather than granting or assuming support automatically.

Ultimately, Canada's strategic position is defined by a series of choices. The country can continue to rely on limited commitments and incremental adjustments, or it can undertake a more substantive transformation of its approach to national power. The latter path requires confronting difficult realities: the financial costs of defence modernization, the political challenges of sustained engagement, and the institutional reforms needed to improve effectiveness.

The central risk is not miscalculation but inconsistency—the gap between stated ambitions and actual performance. Bridging this gap requires discipline in execution and a clear understanding that credibility is built over time through sustained action. Strategy must be matched by resources, and commitments must be maintained even as circumstances evolve.

Canada's history demonstrates that it is capable of such alignment when circumstances demand it. The current environment suggests that such a moment has arrived once again. The question is whether the necessary resolve can be mobilized to translate recognition of this reality into the action required to shape it. ♣

This article is a summarized version of the original conference video transcript, compiled using AI, and edited by Mr. Simon Waring.

