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INSIDE POLICY

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Russia's war in Ukraine

YEAR MEAR

Ukraine's epic fight, Canada's contribution and the future

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From the editors

In February 2022, Russia launched an unprovoked, unjustifiable, and wholly aggressive assault on Ukraine. While failing dramatically to topple the government in Kyiv, Russia's invasion succeeded in finally waking NATO to the threat posed by the Kremlin, uniting global democracies and inspiring a massive realignment of international cooperation.

One year later, the frontline in eastern Ukraine remains tense, with Russian forces encircling Bakhmut and Ukraine preparing for a military counter-offensive in the spring.

To lead our cover feature, we are pleased to have an article by **Balkan Devlen** that explores the international dimensions of the war in Ukraine, where he identifies five lessons from the first year of the war and five things that will not happen in 2023.

In addition, **Alexander Lanoszka** looks at Canada's military assistance to Ukraine and questions the extent to which even this limited aid can continue, and **Matthew Bondy** turns to the dangers of war fatigue in the West, with a particular emphasis on the need for both an energy realignment and military rearmament.

Even as the West confronts the threat posed by Putin's Russia, we would do well to remember the strategic challenge posed by Communist China. Indeed, recent Canadian media reports show the extent to which Chinese foreign interference has taken place in the 2019 and 2021 federal elections in Canada. **Charles Burton** and **Marcus Kolga** look at what the government is doing (or not doing) to protect Canadian democracy, while **David Mulroney** makes the case for a foreign registry. And, following President Biden's visit to Canada, MLI Managing Director **Brian Lee Crowley** has some pointed words about Canada's security, intelligence, and military failings.

As the world confronts an energy crisis triggered by Russia's invasion of Ukraine, Canadian policy-makers would do well to remember the benefits offered by its oilsand production. According to **Heather Exner-Pirot**, while US shale fields will soon plateau, Canada in contrast has plenty of oil left in the tank.

This is good news for the Indigenous peoples of Canada. As **Melissa Mbarki** points out, many Indigenous communities have an opportunity to prosper in this sector. Indeed, according to Ken **Coates** and **JP Gladu**, with Indigenous peoples gaining control of traditional lands, they are in a position to make real change. Yet that is only true so long as federal government policies, such as the carbon tax, don't make life on reserves harder than they need to be – a point raised by **Stephen Buffalo**.

This issue concludes with articles by **Bruce Pardy** on how lawyers must vote against the woke onslaught, **Aaron Wudrick** on the need for fair and constructive immigration reform in Canada, and **Nigel Rawson** on Canada's unmet health needs.

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For the first time since long before Confederation, Indigenous peoples are in a position to make real change.

Ken Coates and JP Gladu

S ometimes great revolutions are silent and collaborative, seeking long-term transformation, not immediate gratification. In Canada, such a movement is reordering the foundations of Indigenous power, as Indigenous peoples and their governments assert greater control over traditional territories.

Despite the extensive discussions in the country on the harms of colonialism and the demands of Indigenous peoples, comparatively little is said about the imposition of federal and provincial government management systems on Indigenous territories. The irony is profound. For centuries, Indigenous peoples managed their resources without calamity, beyond occasional natural disasters.

A movement is reordering the foundations of Indigenous power.

Years of government control have brought wildlife declines, human-made ecological disruption, restrictions on harvesting, and now, the challenges of climate change. Rather than offset the effects of rapid economic development, imposed management systems are instead associated with the ecological disempowerment of Indigenous peoples, the marginalization of Indigenous knowledge in favour of western science, and major concessions to developers and non-Indigenous land users that interfered with traditional land use.

But a new era is at hand. In recent years, as resource exploration spread through Canada's North, the nature of government oversight went from forest rangers to books teeming with regulations, before finally requiring companies and government departments to consult with Indigenous communities on development projects. Just last month, Free Prior

Stein Valley Nlaka'pamux Heritage Park, BC. This provincial park was established in 1995 by BC Parks and the Lytton First Nation to protect the ecological and cultural significance of the area.

and Informed Consent – the UN-recognized right of Indigenous peoples to give or withhold consent to projects that may affect them or their territories – became a reality when NWP Coal Canada voluntarily gave the YQT First Nation veto power over a mining project in British Columbia.

People in the South typically understand little about changes in the Yukon, Northwest Territories, Nunavut, northern Quebec and Labrador. But the North is leading Canada, if not the world, in Indigenous re-empowerment through modern treaties. Today's treaty negotiations include guarantees of Indigenous representation on oversight and decision-making boards, substantial portions of land being assigned

by the under-the-radar work of the federal First Nations/Indigenous Guardians program, which has put hundreds of Indigenous peoples on the land to help protect and rehabilitate the territories. Besides protecting habitats, conservation is also an important employment initiative, providing decent jobs. In fact, collaborations with government, environmentalists and industry reflect the Indigenous communities' recognition that partnership and coordination are essential for long-term success. Industry and environmentalists have recognized that the notion of Indigenous-led collaboration is necessary for the shared protection and careful development of the northern boreal forest.

against the Baffinland mine expansion in Nunavut. Such resistance efforts are appropriately separated from non-Indigenous environmental protests, including the struggle over BC's old growth forests and the Coastal GasLink Pipeline, with the latter being broadly supported by First Nations along the route.

The rise of Indigenous environmentalism is a profoundly important and largely quiet revolution. Indigenous communities speak for themselves on matters of protection, conservation and development. They accept ecological roles when and if opportunities arise, and they speak up when the system moves too slowly or inadequately. Non-Indigenous groups,

A new Canada, one founded on a new, collaborative and Indigenousinformed ethos of environmental management, is emerging.

to Indigenous control, and the foundations of real partnerships between Indigenous and public governments.

When governments are reluctant to share authority, Indigenous representatives have turned to the courts, where they have won hundreds of judgments, many of which reinforce the need to recognize Indigenous authorities.

But not all Indigenous advances are the result of courthouse victories. Since 2018, the emergence of Indigenous Protected and Conserved Areas (IPCAs) has enabled Indigenous bodies to oversee large swaths of land they have designated for conservation. And although the federal government has provided more than \$1.1 billion to fund IPCAs, it is Indigenous peoples – not Ottawa – driving the processes. In one example, the Taku Tlingit First Nation unilaterally declared much of their traditional territory a protected zone, but made a substantial portion available for high-return, high-value resource projects.

The broader journey is also supported

Indigenous impatience, however, often outpaces the negotiation of new accords or the provision of new funding. Some West Coast First Nations, frustrated by what they see as mismanagement of the commercial and food fishery, have declared their determination to control resource use. Others in BC have taken dramatic and successful steps to protect caribou herds, and Mi'kmaq communities in the Maritimes are demanding greater say in regulating lobster harvests.

While unilateral Indigenous action has become more commonplace, especially as climate change increases the sense of urgency, the re-empowerment of Indigenous communities is not necessarily antidevelopment, as demonstrated by groups such as the Tahltan in BC, the Mikisew Cree in Alberta and the James Bay Cree in Quebec.

There is dissatisfaction with environmental management regimes in numerous regions, most notably the push-back including industry, government and nongovernmental organizations, have learned to listen and even to accept Indigenous direction.

The transformation remains at its formative stages. But a new Canada, one founded on a new, collaborative and Indigenous-informed ethos of environmental management, is emerging. Where Indigenous communities have secured such authority, they have used it well. For the first time since long before Confederation, Indigenous peoples are in a position to make real change. The country and the environment will be much better for this impressive Indigenous-led ecological revolution.

Ken Coates is a Distinguished Fellow and Director of Indigenous Affairs at MLI and a Canada Research Chair at the University of Saskatchewan. JP Gladu is a Senior Fellow at MLI and an Indigenous business leader. This article originally appeared in the Globe and Mail.



Let Indigenous people prosper from oil and gas

Indigenous involvement in the energy sector and new technology can fight poverty and climate change at the same time.

Melissa Mbarki

I am not afraid to share my humble beginnings in life. I grew up in a small, poverty-stricken community in northcentral Saskatchewan. My career in the natural resources sector began when I completed my post-secondary studies.

I joined a company that was preparing to divest billions in assets. My role was to review the assets (facilities, wells, pipelines) and to prepare the legal documents for the transfer. Determining ownership and working with a legal team was my crash course into land ownership.

My career introduced me to various areas of the oil and gas industry, including

Zero-emissions
infrastructure
(hubs) will help
decarbonize

Canada's economy.

abandonment and reclamation. It lifted me out of poverty and allowed me to learn about government policies and legislation that not only impacted the industry I worked in but Indigenous communities as well.

Unfortunately, the Liberal government's transition plan to a clean-energy economy will result in missed opportunities for Indigenous people, energy workers and the industry as a whole. But before we look at the transition plan, we need to address the false dichotomy of having to choose between oil and gas production and fighting climate change. An all-or-nothing approach isn't practical, nor will it meet emissions targets.

How should the government transition a workforce to fully participate in a lowcarbon economy? Advancements in technology and Indigenous partnerships, which have grown in the past five years here in Alberta, provide the answer. Zero-emissions infrastructure (hubs) will help decarbonize Canada's economy. And overhauling the infrastructure will create more jobs in the oil and gas sector, not remove them. Communities like Frog Lake First Nation and companies like Questerre Energy are leading this initiative in Western Canada.

Indigenous women like myself have built careers working in the oil and gas

government and industry. Environmental impact assessments need to include traditional knowledge. Early engagement is important for the planning and regulatory approval processes.

Today, community engagement in projects has superseded consultation. Indigenous communities want to be partners and hold an equity in large-scale ventures. Long-term returns are needed

Climate-change solutions need to be a national conversation. Every industry needs to be involved, and the conversation should go beyond driving an electric vehicle. The challenge will be to achieve net-zero emissions without compromising our own energy industry and security.

We are currently going through two transitions. One, we need to increase energy production while lowering

66

Climate-change solutions need to be a national conversation. Every industry needs to be involved, and the conversation should go beyond driving an electric vehicle.

sector. The skills I have acquired have been transferrable to other sectors, such as mining. Expertise in intergovernmental relations, Indigenous relations, policy writing and land management are all required for mining endeavours. We don't give this industry enough credit for the training and employment opportunities it provides for Indigenous people.

Another false narrative is that Indigenous people have to choose between the oil and gas sector and our land rights. When engagement and partnership-building are initiated with Indigenous communities, solutions are tangible and workable. We can move forward with industry while restoring treaty rights.

Opportunities in the natural resources sector are a consideration for many Indigenous communities. Many are contemplating becoming involved, or have already become involved and are forging their own pathways with industry. Poverty is no longer an option. Managing our resources and revenues will be our way to resolving some of the issues that have kept us locked in despair.

At the pre-planning stage, Indigenous leaders are asking for involvement with



This graphic from the Indigenous Resource Network shows the large number of Indigenous peoples who work in the oil and gas sector.

for communities that are struggling with a lack of housing, clean water or funding to address social issues like addictions, crime or gang activity.

The success of future projects will be linked to the success of Indigenous communities. This reality should be embraced by the federal government. You cannot lead a major change in the natural resources sector without bringing the affected industry and Indigenous people to the table.

environmental impacts. Two, we need to acknowledge and respect Indigenous communities and employees who are part of the natural resources sector.

If we can get these two things right, simultaneously, Indigenous voices can lead a different kind of change – a change that will create a new pathway and partnership. That change starts here at home, with the federal government.

Remove the barriers that hinder the Canadian economy like Bill C-69. Allow Indigenous communities to prosper in industries that are sometimes only found in remote areas. We can address both Indigenous poverty and climate change by coupling these two initiatives.

What needs to be removed is the narrative that we have to choose. We can ensure energy security by investing in new technology while allowing the energy sector to prosper. Combining Indigenous knowledge and technology with industry leaders is the way forward.

Melissa Mbarki is a policy analyst and outreach coordinator at MLI, and a member of the Treaty 4 nation in Saskatchewan. This article originally appeared in the Calgary Herald.

Life on reserve is already unaffordable, the carbon tax makes it worse

Ottawa should become aligned with more progressive provincial policies and implement an on-reserve exemption for carbon pricing.

Stephen Buffalo

The relationship between Canada and First Nations has been an uneven one, with our people constantly getting the short end of the stick. One of the very few treaty benefits that have stuck over the years is a tax exemption: an acknowledgement that on our reserves at least, we do not owe other governments anything. But in the case of the carbon tax, we're not even getting that.

Its creators may call it a "levy" or "pricing," but the carbon tax is just that – a tax. As such, from a First Nations perspective, it clearly violates the spirit and intent of the treaty tax exemption, which was provided in exchange for our sharing of the land. And it explicitly violates Section 57 of the *Indian Act*, which exempts personal property on reserve from taxation.

So obvious is the principle that First Nations should be exempt from a carbon tax, from both an ethical and treaty perspective, that the NDP in British Columbia instituted such an exemption in its carbon tax. The NDP in Alberta did the same when it implemented its own provincial carbon tax from 2017 to 2019, but that was revoked when Alberta was put under the federal pricing system. It's incomprehensible that the federal government did not follow their lead and put in its own carbon pricing exemption for First Nations.

The federal government claims that the average household gets more back in the carbon rebate than they pay in the tax. Whether that's true or not – and the Parliamentary Budget Officer has concluded

it is not – it is definitely not true for First Nations people.

As the chiefs of Ontario pointed out in their open letter to the prime minister last month, in order to receive the rebate (known as the "climate action incentive"), you need to file an annual tax return. But most people living on reserve don't do so, because they are exempt from paying income taxes. And many First Nations people living off reserve are low-income; they don't want or need to file a tax return either. The result is that those who can least afford to pay the carbon tax are most likely to be excluded from the rebate.

Most First Nations are located in rural areas, and many are remote or northern. Running any kind of errand or getting a service that most Canadians can access within a few blocks — be it a medical appointment, trip to the grocery store or work meeting — is often a half day's drive or more away.

Driving conditions to and within reserves are often poor, usually on gravel roads that require large all-wheel-drive vehicles to be safe, if you can afford one. There are no EV charging stations, and almost none of our communities are served by public transportation. So, unlike for most Canadians, a carbon tax cannot incentivize us to switch to other methods of transportation, because we don't have that option. All the tax does is make it more expensive to access those basic services.

Electricity and heating have also gotten eye-wateringly expensive. Most housing on reserve is already in poor shape, with drafty windows and inefficient appliances. We have no control over whether our energy comes from diesel or natural gas or coal-fired plants. Bills have doubled or even tripled for some. And when individuals can't pay their utilities, which is often the case, the band must cover the debt, which puts further financial strain on First Nations governments.

These facts are not in dispute. In an April 2022 report, the Office of the Auditor General concluded that Indigenous groups are "disproportionately burdened" by carbon pricing. And that was before you factor in the harsh impacts of inflation that are disproportionately felt in remote communities.

Many of those who live on reserve are on fixed incomes, which keeps them below the poverty line. As the rising cost of food, gas, vehicles and construction materials creates increasing desperation, the carbon tax is translating into missed bill payments, missed medical appointments, missed education and work opportunities – because we simply can't afford to get to them.

It is time for the government of Canada to become aligned with the more progressive provincial policies and implement an on-reserve exemption for carbon pricing. Our people can't afford another winter like this one.

Stephen Buffalo is President and CEO of the Indian Resource Council, and a Senior Fellow at MLI. This article originally appeared in the Calgary Herald.

Ontario lawyers must vote against the woke onslaught

Canadian regulators are imposing a new standard of professional practice: embrace our politics or risk losing your licence.

Bruce Pardy

I made three big mistakes. I'm not alone. Those three mistakes make the upcoming "bencher" (governor) elections for the Law Society of Ontario matter like never before.

My first mistake? I used to ignore these elections, which happen every four years. I mean, who cared? I didn't even know who was running most of the time. "Convocation," the governing body of the law society, was a leisure club for big-name lawyers, and I wasn't one of those. Benchers rubber-stamped policy, sampled the law society's wine cellar, and let staff run the show. I paid my outrageous fees, checked boxes on my annual report and figured the law society was irrelevant to my life.

Mistake two? Many lawyers, depending on how long ago they were law students, know that the intellectual rot of critical race theory and social justice nihilism has slowly conquered Canadian law schools. But I – we – believed the legal profession would remain largely immune to its effects. Academic theories opposed to the western legal canon and designed for an imaginary universe would be slapped down in the real world of clients and courts. Wrong again!

These two mistakes coalesced. Over decades, law schools pumped out generations of new lawyers convinced that speech is violence, equal treatment is oppressive, and Canada is systemically racist. To save their own hides, establishment lawyers and big firms began to spout this rhetoric, too. Eventually, many started behaving as though they believed



it. The elites survived the onslaught by becoming activists themselves.

The law society succumbed accordingly. The indulgent largesse remains – the budgetary bloat, the mission creep, the patronizing paternalism – but now it is accompanied by something more sinister. Along with most other public institutions, including other professional regulators, the law society is becoming a political watchdog. Instead of ensuring competence and ethical practice, it is set on establishing ideological requirements to maintain our licences and livelihoods.

Which brings me to my third mistake. I had hoped that many smart, sensible lawyers in Ontario would not allow their professional regulator to go off the rails. When the law society overreached by instituting its "statement of principles" (SOP) requirement in 2018, mandating all licensees to acknowledge their obligation to promote the values of equity, diversity and inclusion in their professional and personal affairs, I thought lawyers might refuse. It turns out, understandably, that individuals are reluctant to resist the might of overseers when they cannot count on others to do the same. When the SOP was first introduced, 98 percent of Ontario lawyers obediently complied.

The die would have been cast had it not been for 22 rank-and-file lawyers. Four years ago in the previous bencher election, those 22 were elected on a platform of repealing the SOP, and they succeeded in doing exactly that. At the time of that election, the law society was a national leader in politicizing professional regulation. Thanks only to the presence of the "StopSOP" benchers, who in fact hold a minority of

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Canada needs immigration reform that is fair and constructive

We will need to listen to those with legitimate concerns about high immigration rates.

Aaron Wudrick

Much has been written recently on rising concerns about Canadian immigration levels, and specifically the Trudeau government's announcement of significantly higher immigration targets. As commentators have noted, Canada has historically had cross-party consensus on immigration that can be legitimately described as a uniquely Canadian phenomenon.

This good news has been a point of Canadian pride (or smugness) in a time of global political turbulence, given that in many of our peer countries, immigration backlash has manifested itself in sometimes ugly and xenophobic ways.

But here's the bad news: This consensus is at risk, and may already be little more than a mirage. It's consoling that immigration skepticism has not coalesced around any single political party, where it could become a political wedge issue. But fraying support for immigration across party lines exposes an even greater risk: that the issue will be ignored by all parties until it reaches a dangerous boiling point.

Part of the challenge is that Canadians concerned about immigration are often afraid to say so out loud for fear of being called racist or xenophobic. And to be clear, there are racist and xenophobic Canadians, as in every country. But it would be a colossal mistake for our political class to wave away any misgivings about our immigration policy as mere prejudice.

Politicians must understand some of the factors that stoke concerns with our policies and targets. Start with the Roxham Road border crossing between New York State and Quebec, where unlawful (irregular) refugee crossings had skyrocketed in recent years. Recently, news broke that Canada and the US had renegotiated the Safe Third Country Agreement to fix this border issue.

Roxham Road mattered because it is about fairness. It represented a legal loophole that people were exploiting. Refugees are a legitimate humanitarian issue, but allowing a class of people to essentially "skip the line" would undermine support for a rules-based system that the public can believe is fair to all.

Second, for many Canadians the concern is not who is coming, so much as how many: for a population already dealing with serious supply strains, immigrants represent a demand spike that will only worsen the situation. Housing is an obvious example; so is access to health care. Just ask the six million Canadians who cannot find a family doctor.

Some argue, fairly, that new immigrants actually represent part of the solution to these supply challenges, providing much-needed additional labour, from construction workers to nurses and doctors. But such

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Our oilsands tortoise may outlast the Americans' shale-oil hare

Canada has plenty of oil left in the tank, not so US shale.





Stock

Heather Exner-Pirot

anada's oilsands have faced strong headwinds over the past decade. Coming online just as their main customer, the United States, saw its own oil production explode thanks to shale, its economics have been pretty tough. And they've been compounded by a hostile regulatory and political environment in an Ottawa fixated on emissions. But as shale fields pass their peak production, the oilsands are now poised for prime time.

In both geopolitical and economic terms, the shale revolution – the combination of hydraulic fracturing and horizontal drilling that opened up vast US oil and gas reserves in shale formations – has been one of the most important technological developments of recent years.

In the last decade and a half, US oil production went from five million barrels a day to 12 million, transforming the world's biggest oil importer into its biggest producer – an unprecedented shift in the global energy landscape. Shale oil has the additional benefit of being easy to ramp

US shale fields
will soon plateau.
Already wells are
becoming gassier
and more
expensive to drill.

up and down, making the US a swing producer able to control world prices, a role previously played by OPEC.

But shale's astonishing rise is expected to be followed by an equally rapid decline. US shale fields will soon plateau. Already wells are becoming gassier and more expensive to drill, and new wells are less productive.

Canada's oilsands could hardly be more different. They comprise the world's third-largest reserves: 1.8 trillion barrels of oil, of which just under 10 percent, or 165 billion barrels, is technically and economically recoverable with today's technology. Canada

currently extracts over one billion barrels a year, which means we have centuries of inventory. Add our conventional production, and we are already the world's fourth-largest oil producer.

Cheap shale oil

Many oilsands operations are mines, from which oily sand is scooped up and taken to facilities where bitumen is extracted from the sand. Other techniques involve injecting steam underground, heating the bitumen and making it fluid enough to be pumped out. These operations are expensive to build, but once up and running they are cash machines. They require very low levels of capital to maintain and have very low decline rates. Current oilsands operations have decades worth of low-cost production life left. By contrast, many shale wells have just a couple of years.

Thanks in large part to cheap shale, the West Texas Intermediate crude oil benchmark sat below US\$60/barrel for most of 2015 to 2020. But now climate and regulatory policies, environmental, social and governance (ESG) financing trends, and

the effect of cheap shale itself, which over that period dampened investment in oil and gas, could lead to oil prices of US\$100+/barrel in the near- and medium-term — with almost all of Canada's oilsands inventory still in the ground, ready to reap the benefit of higher prices.

The decline of American shale has huge political implications for Canadian oil. Some policy-makers contemplate a "just transition," but a more likely scenario — which we should be preparing for — is that global oil demand will grow at least until the 2030s and then level off at something above 100 million barrels/day, with the US share of production declining.

If that does happen, oil prices will rise to a point that threatens the global economy and creates an energy crisis, while OPEC countries and Russia use their market control and energy exports to advance their own illiberal foreign policy goals. Canada must offset the worst of it.

Within the next decade, someone will need to start filling the gap left by the imminent decline of American shale. Our allies, not least the United States, should want to make sure it is us. We have abundant oil that, if we invest now in carbon capture, we can provide in a more environmentally responsible way.

People are always entitled to hope for the best: maybe revolutions in finance, labour, policy and technology will allow us to quickly reduce oil consumption and hit net zero, not only in Europe and North America, but in the developing countries where the other seven billion of us live and where energy demand is growing fastest.

But those responsible for our security must also prepare for the worst. And that means ensuring Canadian oil is available to those who need it, for as long as they need it.

Heather Exner-Pirot is Director of Energy, Natural Resources and Environment at MLI. This article originally appeared in the Financial Post.

Ontario lawyers (Pardy)

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seats, it is now a reluctant laggard.

But the SOP was only one small part of an aggressive political agenda that remains in place. Incorporating the substance of the SOP into the rules of professional conduct, tracking and publishing the racial makeup of each firm over 25 lawyers, and requiring licensees to take compulsory re-education programs in EDI (equality, diversity, and inclusion) are among the many items waiting to be reactivated by a big-governance coalition of establishment benchers who hope to retake the law society in this spring's election.

In 1977, I was the perfect age for the original *Star Wars*. It cost me a dollar and 10 cents, and I went over and over again. "It's not that I like the Empire," says Luke early in the piece, "I hate it. But there's nothing I can do about it right now."

Many lawyers may feel that way about the forces that control the law society, but there is something they can do. Most of the StopSOP benchers will be running again, and they will be joined by a handful of other resolute lawyers as the "FullStop" team, dedicated to de-politicizing the law society. They seek to restore it to its core mandate of regulating competence and ethical practice. Lawyers can vote, in private, to say that the law society has lost its way and must be put right.

Canadian regulators are imposing a new standard of professional practice. It threatens not just lawyers but professionals of all kinds, as well as every Canadian who might someday need their services: embrace our politics or risk losing your licence. This spring, there is an opportunity to repudiate it. I hope we don't make a fourth mistake.

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Senior Fellow at MLI, Professor of law at Queen's
University, a member of the Law Society of Ontario,
and part of the FullStop team. This article originally
appeared in the National Post.

Immigration reform (Wudrick)

Continued from page 10

tangible factors are not used to inform government immigration targets, which smack of central planning. Perhaps it's time we shifted away from immigration by flat and adopted a more market-based approach.

Consider the relative success of refugees to Canada based on their path of entry. Experience shows that privately sponsored Syrian refugees have a better chance of finding employment than those brought in under government programs. This suggests that when migrants have non-government partners invested in their success, their integration into Canadian society is likely to go more smoothly.

While humanitarian refugees require sponsorship and charity from individual Canadians and communities, for many economic immigrants the relevant invested partner will be employers who, given labour supply challenges, are often among the loudest champions of high immigration levels.

Here, too, a legitimate criticism is often raised, since efforts by employers to create cheap pools of labour can drive down wages for all Canadians. But this blurs the immigration discussion with a separate issue: the difference between employers unwilling to pay higher salaries, and those who simply cannot find job candidates at any economically viable salary level.

Canada's immigration consensus has served our country well for half a century. If we are to salvage it, we will need to listen to those with legitimate concerns about high immigration rates — and more importantly, adjust our approach away from government targets towards a system that prioritizes matching our supply of and demand for immigrants and refugees as smoothly as possible.

Aaron Wudrick is Director of the Domestic Policy Program at MLI. An earlier version of the article originally appeared in the Montreal Gazette.

COVER FEATURE















Russia's war on Ukraine

Looking BACK looking



Ukrainians are paying the ultimate price in showing how to defend democracy, freedom, and human dignity against its enemies.

Balkan Devlen

t has been 13 months since Russia re-invaded Ukraine. ■ In what follows I want to focus on what the war revealed in 2022 and what we can expect (or not) in 2023. First, five lessons from the first year of Russia's war in Ukraine.

1. Do not underestimate your friends and overestimate your enemies.

This is what Ukraine's Ambassador to Canada, Yuliia Kovaliv, said in a recent speech. Indeed, the West overestimated Russian capabilities and underestimated Ukrainians' willingness to fight back for their home and hearth. Russia's attacks against civilian infrastructure and targeting residential areas to terrorize the population and force them to submit produced the exact opposite.



2. True leadership is revealed in trial by fire.

Ukrainian President Zelensky's courage and perseverance when faced with mortal danger and deep uncertainty galvanized not only Ukrainians but also the West in the crucial first weeks of the invasion. His response to evacuation offers – "I need ammunition, not a ride" – became the war cry around which the defenders and allies of Ukraine have rallied, setting the tone for the rest of the year.

3. The unexpected unity within the West enabled Ukraine to fight back.

The speed with which the West, led by the United States, came together and started





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providing military and financial support while imposing unprecedented sanctions against Russia surprised many. While allies like Poland and the Baltic countries have been vocal in their warnings about a revanchist Russia, others in Europe, like France and Germany, had been dismissive of their concerns. Russian re-invasion in February 2022 was a wake-up call for those Western Europeans as encapsulated by German Chancellor Olaf Scholz's phrase, *Zeitenwende*, a turning point, a watershed moment. Despite disagreements, the West remains united in its support for Ukraine.

4. It is essential to produce things.

We have been too focused on concepts such as hybrid warfare, ignoring how much ammunition, tanks, missiles, and artillery are needed in modern warfare. The war in Ukraine showed that it is vital to have robust defence production and ample stocks. Fundamentally, war is about pitting two defence industries against each other. Those who sustain the production of needed war materials longer than the adversary wins. There are critical lessons for Canada in this, as our inability to provide much to Ukraine regarding material support demonstrated. For example, sending just four Leopard tanks (and four more announced later on) or our limited ability to provide artillery pieces or ammunition suggests that we need to rethink defence production in Canada and also broadly within the West.

5. Depending on authoritarian regimes for critical resources is a bad idea.

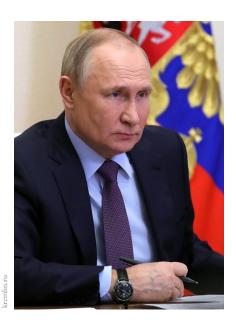
Europe's dependence on Russian natural gas gave Vladimir Putin political and economic leverage for years. Putin tried to use that dependency to blackmail Europe and divide the West. European countries scrambled to find alternative sources of natural gas and fill up their reserves as the Russian invasion began. Natural gas prices spiked, forcing European governments to take steps in easing the burden on the population. The radical restructuring of European energy policies in less than a year at a significant cost will not be forgotten by policy-makers anytime soon. Unfortunately, Canada failed to step up to the plate when our allies are in dire need since Canada does not have LNG export infrastructure on the East Coast that would have allowed Canadian LNG to be shipped to Europe.

You probably read several op-eds about what we can expect to happen in the war in Ukraine in 2023. But to paraphrase Roy Amara, a Stanford computer scientist, we overestimate change in the short-term and underestimate it in the long-term. So in that spirit let me try something different.

Here are the five things that will not happen in Russia's war against Ukraine in 2023:

1. The war will not be over by the end of the year.

Vladimir Putin is all in in his criminal war and is willing to send hundreds of thousands more Russians to die. Ukrainians, on the other hand, will not give up, as a popular saying in Ukraine puts it: if Russia gives up there will be no war, if Ukraine gives up there will be no Ukraine. Furthermore, wars tend to last either very short — think days or weeks — or years. That this war is already over a year suggests that we should be ready for a drawn-out conflict with a revanchist and hostile Russia for years to come. It is going to be a generational struggle that would only end when Russia has a regime change, accept responsibility for the war, pay war reparations to Ukraine, foreswears revisionism, and start rebuilding credibility in the international arena.



2. Putin will not be removed from office.

There is no meaningful opposition to Putin in Russia. The last vestiges of the political opposition were brutally suppressed in the past couple of years and those who were not killed or imprisoned left the country. The Russian population has been disillusioned with politics and is largely cynical. They are either supportive of the war or indifferent primarily to it. Furthermore, personalized dictatorships are notoriously challenging to overthrow. Coup-proofing is an essential element of Putin's regime that encourages competi-





ıropean Commission (Dati Bend ι commons.wikimedia.org

tion between different elements of security services and have them spy on each other. In a system where just being suspected of plotting against the leader means prison or worse, it is very hard for the disgruntled elites to coordinate and remove the leader. Unless he suddenly dies, Vladimir Putin will remain the war criminal president of Russia in 2023.

3. Russia will not use nuclear weapons in Ukraine.

Despite Putin's rhetoric, there is no evidence that Russia plans to use a so-called tactical or battlefield nuclear weapon in Ukraine. There is no sustained battlefield advantage from using a single nuclear weapon against a determined defender unless the attacker is willing to escalate further. There is no reason to believe that Putin is a suicidal leader that is ready to start climbing the nuclear escalation ladder. On the contrary, he is very concerned about his personal survival, as it is a key trait that is selected in a ruthless political environment like Russia's. Furthermore, breaking the nuclear taboo will be very costly for Putin as this might lead his closest allies such as China's Xi Jinping to abandon him.

4. Western support for Ukraine will not cease.

The generational nature of the struggle against Russia is dawning on the western publics and policy-makers. It is also increasingly becoming apparent to the same policy-makers that if the West wants this

war to end quickly, it must ramp up its support to Ukraine and give what it needs to finish the job. Even then it is unlikely that the war will be over this year. There might be trouble down the road – think US elections in 2024 – but for this year, the West will not waver in its military and economic support to Ukraine.

5. Russia will not make significant territorial gains.

After their initial territorial gains in the East and South of Ukraine, the Russians failed to make further advances. Ukraine recaptured significant territory around Kharkiv and Kherson in the fall of 2022. Russian mobilization in the fall 2022 and the renewed offensive that started in February 2023 failed to produce any territorial gains for them. The carnage in Bakhmut, a small city that Russians have been trying to capture for months now and where the Russians suffered more than 30,000 casualties, is emblematic of Russia's failure on the battlefield.

There are other lessons to learn from and predictions to make about the war in Ukraine but perhaps the most important lesson is this: Ukrainians are paying the ultimate price in showing how to defend democracy, freedom, and human dignity against its enemies even when the odds are not in your favour. For that, Slava Ukraini!

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Hitting the ceiling: Can Canada continue to support Ukraine militarily?

Having very likely hit the ceiling on what it can provide from its own stocks, how Canada will continue to support Ukraine militarily remains to be seen.

Alexander Lanoszka

anada has been one of the most important supporters of Ukraine in the 13 months since Russia began its full-scale invasion of the country in late February 2022. With Prime Minister Justin Trudeau declaring that "Canada and Canadians will stand by the Ukrainian people for as long as it takes," Canada has committed \$5 billion in direct assistance to Ukraine, with about half in direct economic support.

Through *Operation Unifier*, Canada trained over 35,000 members of Ukraine's security sources. It has given military assistance, most notably M777 howitzers and their associated ammunition, a National Advanced Surface-to-Air Missile System (NASAMS) along with its associated munitions, over 200 armored personnel carriers, eight Leopard 2 main

battle tanks, and more. Canada Has also streamlined visa processes to assist the over 175,000 Ukrainian refugees fleeing the war to Canada and imposed extensive sanctions on numerous Russian entities in coordination with the European Union, United Kingdom, and the United States.

All this support reflects very well on Canada. Yet being self-congratulatory on

A Royal Canadian Air Force CC-177 Globemaster from 429 Transport Squadron based at 8 Wing Trenton, Ontario, delivers a Leopard 2A4 main battle tank to Poland on March 17, 2023, as a part of Canada's commitment to donate Leopard II tanks to the Armed Forces of Ukraine.

what Canada has done so far for Ukraine is an easy temptation that we should ignore. The truth of the matter is that Canada did stumble out of the gate in February 2022 and has been hamstrung by its own general discomfort when it comes to defence investment and industry. The numbers given of specific platforms are low and Canada has not been ramping up munitions production necessary to help Ukraine win.

Ukraine's aspirations for membership in the European Union as well as in NATO. However, Canada did retract its provision of Radarsat-2 satellite imagery in 2016, citing bureaucratic impediments that restricted information access. In the meantime, several more NATO members began to provide military assistance to Ukraine, as their worries about weapons diversion and corruption began to ease.

United Kingdom would pursue defence industrial cooperation with Ukraine aimed at reviving the latter's maritime capabilities. In contrast, the defence cooperation agreement that Canada signed with Ukraine lacked the major capital projects that the British agreement had.

In early 2022, when Russia's military build-up near Ukraine became clear in its implications, various NATO members





Canadian Armed Forces soldiers instruct, train and mentor members from the Security Forces of Ukraine, during Operation UNIFIER in the United Kingdom, another part of Canada's continuing military commitment.

Consider what Canada was giving to Ukraine prior to February 24, 2022. Shortly after the Russo-Ukrainian War first broke out in 2014 with Russia seizing Crimea and destabilizing the Donbas, Canada was one of a handful members of the North Atlantic Treaty Organization (NATO) to respond by providing some form of military assistance. It offered access to Radarsat-2 imagery and would establish *Operation Unifier*. Canada also helped to oversee security sector reform in that country via the Defence Reform Advisory Board. Canada even signed a defence cooperation agreement with Ukraine in 2017.

Thereupon Canada's support for Ukraine entered a period of stasis. *Operation Unifier* continued, to be sure, and Ottawa remained supportive of

Canada has not been ramping up munitions production necessary to help Ukraine win.

Countries that were already giving some level of support – like the United States and the United Kingdom – began to give even more of it. In a stepwise change in policy, the US gave anti-tank Javelin weapons in 2018, albeit in limited quantities. The

stepped up to offer lethal military assistance. Whatever their actual tactical impact in the Battle of Kyiv, the UK played a key leadership role in sending large shipments of next-generation anti-tank weapons. Other NATO members – most notably, the Baltic countries – sought and received US approval to send Javelins and Stinger missiles. For its part, unfortunately, Canada first decided against providing lethal military assistance in February 2022.

Even though Deputy Prime Minister Chrystia Freeland rightly characterized Ukraine's struggle with Russia as that between democracy and authoritarianism, Canada restricted its provision of military assistance to non-lethal military assistance in early February. Shortly thereafter it announced lethal military aid, but this

package consisted of weapons that would barely support an insurgency: over \$7 million worth of machine guns, pistols, carbines, associated ammunition, sniper rifles, and various related equipment. The amount of support was not commensurate with the stakes involved.

Once Ukraine demonstrated its combat effectiveness in the opening days of Russia's invasion, Canada would increase its assistance to Ukraine by gradually expanding its military assistance to encompass more lethal and sophisticated systems. Even so, what Canada has given is revealing of the real limitations that its military faces.

For example, whereas the UK was able to send thousands of NLAWs, Canada was only able to give the Vietnam-era Most problematic of all is that Canadian defence contractors appear not to receive new orders for munitions production, let alone clear direction, that would assist Ukraine in this artillery war. Canada does not appear to be making any effort to revitalize its stockpiles and to purchase new equipment for its own military.

The reason why Canada cannot give much more military aid is simple. Despite a recent uptick in military spending, the Canadian Armed Forces (CAF) remain under-resourced. In my research with Jordan Becker of the United States Military Academy, we find that a strong predictor of any NATO member's military aid to Ukraine was its pre-existing level of defence investment. More specifically, those NATO members that spent significantly on

product, is part of the problem. Moreover, Canada's focus on expeditionary operations in recent decades has left its military undercapitalized for "full spectrum of combat capabilities," let alone conventional war with a powerful adversary.

These shortfalls do matter. They are manifest not just in what Canada sends (or does not send) to Ukraine, but also in its own efforts to upgrade the enhanced Forward Presence Battlegroup it leads in Latvia. Canada agreed at the 2022 NATO Summit in Madrid that it would bolster the Battlegroup from a battalion to a brigade. Yet, given Canada lacks the essential capabilities, particularly in artillery and air defence, how it will fulfill those NATO commitments without further straining available resources is unclear.



Canada thus should take pride in what it has done so far for Ukraine, but it should not rest on its laurels.

M72 Light Armored Weapon, which, unlike its successor, requires the shooter to maintain line of sight with the target while operating it. Canada claims to be able to give only a very limited number of Leopards (eight, as of writing) out of the 72 that it has for fear of compromising its operational readiness. Canada gave four M777 howitzers, but this number is small, not least because the military conflict is, in essence, an artillery war with a massive consumption rate. In the case of the NASAMS, Ottawa reached for its pocketbook to buy the platform from the United States as a gift to Ukraine.

operations and maintenance (O&M) were those more likely to give large volumes of military assistance.

Canada, to its credit, does spend relatively more on O&M than most NATO members because of its participation in coalition missions and military exercises. However, its oft politicized and underfunded procurement process prevents it from getting replacement parts and new equipment on time, thereby obliging the CAF to field increasingly obsolescent assets. That Canada is amongst the lowest overall spenders on defence within NATO, at least in terms of a proportion of gross domestic

Canada thus should take pride in what it has done so far for Ukraine, but it should not rest on its laurels. To the contrary, Canada's own record of military assistance reveals serious shortcomings. Having very likely hit the ceiling on what it can provide from its own stocks, how Canada will continue to support Ukraine militarily remains to be seen.

Alexander Lanoszka is Assistant Professor in the Department of Political Science at the University of Waterloo. His most recent book is Military Alliances in the Twenty-First Century, published by Polity in 2022.



Ukraine war fatigue is settling in – and must be resisted

The democratic community needs to learn from the mistake of our decades-long disarmament and create a different future.

Matthew Bondy

n late February, the world's support for Ukraine crested – and cracked.

The United Nations General Assembly voted overwhelmingly for Russia to withdraw from Ukraine and end its war. Only seven nations voted against the resolution, pariah states each. In the same week, however, French President Emmanuel Macron called for "dialogue" and "re-engagement" with Russia in the belief that "we will have to negotiate" an end to the conflict.

This is what Ukraine fatigue looks like, and its seductive allure may grow in warweary western capitals. The immediate risks are obvious. If Ukraine is pushed to accept a political settlement that is not centred on What's discussed much less is how to turn the war in Ukraine to the West's long-term strategic advantage.

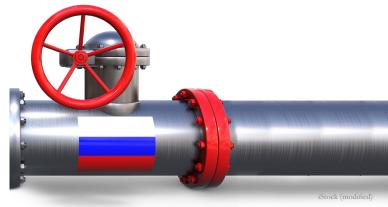
its fully restored territorial integrity, which has been undermined by Russia since 2014, the precedent will be catastrophic and the world will become more dangerous.

The naivety of the pro-negotiation crowd is stunning in this regard.

But what's discussed much less is how to turn the war in Ukraine to the West's long-term strategic advantage. Aside from the moral and legal arguments for ensuring Ukraine's outright victory, there are two strategic reasons why the North Atlantic democratic community should see its self-interest best served by Russia's outright battlefield defeat, no matter how long it takes.

First is the opportunity that this state of war provides to wean the democratic community – particularly in Europe – off of its status quo \$1 billion dollarsper-day addiction to Russian oil and gas for good, thereby freeing the North Atlantic community of energy blackmail permanently. Russia can only weaponize its energy supplies to Europe for as long





Russia can only weaponize its energy supplies to Europe for as long as the continent is wildly overdependent on them.

as the continent is wildly overdependent on them.

Encouragingly, Europe has begun the long process of reorganizing its energy supply since the onset of the conflict and Russia's retaliatory cancellation of key gas pipelines including Nord Stream 1 into Europe. Though there have been shortages this winter, new democratic deals for energy supply are being signed in the West, and the North Atlantic community needs to press on until we achieve energy independence from dictators.

Even the reluctant western warriors on Ukraine, like German Chancellor Olaf Scholz, sees this turning point for what it is. As he wrote recently in *Foreign Affairs*, "We have learned our lesson. Europe's security relies on diversifying its energy suppliers and routes and on investing in energy independence."

According to analysis from McKinsey, North America is capable of supplying long-term natural gas resources at a stable production price of approximately three dollars per MMBtu (Metric Million British Thermal Unit) – the approximate benchmark for cost-effective long-term production – to such markets as Europe and Asia. The current liquified natural

gas (LNG) import price in Europe is US\$20.18/MMBtu, and it reached near US\$70/MMBtu last September.

This product-market fit represents enormous economic opportunity for North American suppliers and massive energy security opportunities for our democratic friends and allies. Indeed, Canadian energy can and should be a big part of the solution. Supplying for our allies' needs is a strategy and moral imperative and an enormous opportunity for the sector of our economy that represents more than 10 percent of the nation's GDP and 17 percent of our exports.

The federal government is making an enormous mistake by failing to aggressively focus on this need and opportunity. But much opportunity remains. Energy investment is tilting back to carbon-based sources like oil, gas, and coal to make up for the market disruption brought on by Russia's invasion. BP, for example, has recalibrated its "Beyond Petroleum" branding to re-embrace oil to serve the world's energy needs. This provides political cover for the government of Canada to do what's necessary and assert our energy value proposition internationally.

Though racked by uncertainty, global energy markets tell us one thing unequivocally: we're going to need both renewables and carbon-based energy for a very long time to come. Canada can be an ethical energy superpower and we should start acting like it.

Second, an outright Ukrainian victory in its just war against Russian aggression is the key to re-arming the North Atlantic community for the long-term.

The United States and her NATO allies are scrambling to provide Ukraine with the armaments it needs to sustain its successful push to kick Russia out of its eastern lands. Ukraine for much of the war has been firing more artillery shells in a day than the allies used in an entire month in Afghanistan – and production supply over the years has atrophied. But it's about more than howitzer shells.

The International Institute for Strategic Studies estimates that since the end of the Cold War, NATO members' total sum of main battle tanks (MBTs) has fallen 77 percent, from nearly 19,000 to just more than 4000. For context, China alone has nearly 4000 MBTs. Stocks of ground attack aircraft – now needed more than ever in Ukraine – have fallen 57 percent,

from nearly 4000 to approximately 1500. Similar statistics hold true for combatant ships and submarines.

The North Atlantic community has long enjoyed a post-Cold War "peace dividend" – a Clintonian rhetorical construction that really means unilateral and unwise disarmament – that we could never really afford. It's time to let that pretense go and plan to win the 21st century for the safety of the world's democracies and the advancement of liberty and prosperity, using industrial mobilization for Ukraine as the beginning of a resurgence in western power and military confidence.

Levelling-up democratic production capacity for hard power military assets and ammunition is already under way. South Korea is quietly leading the way to ensure a stable and democratic supply of weapons systems to its allies, including eastern European states like Poland. Likewise, US President Joe Biden has issued a range of executive orders for arms and munitions makers to produce more supply both for Ukraine directly and to replenish America's own depleted stores.

Some of these developments have spurred dramatic business expansion for Canadian firms in the under-appreciated defence manufacturing hub of southern Ontario, where defence companies routinely do business with both the United States and Canada. Recent funding announcements by the Canadian government for the modernization of the North American Areospace Defence Command (NORAD), combined with increased industry mobilization to support Ukraine, could be the beginning of a much-needed improvement of Canada's defence posture, long sought by our democratic allies even before Russia's invasion of Ukraine.

North American defence industries also have an under-appreciated but

The North Atlantic community has long enjoyed a post-Cold War "peace dividend" – (...) that really means unilateral and unwise disarmament – that we could never really afford.



Stock

enormous natural advantage, too: they're out of easy range from rogue states like Russia and North Korea. Doubling down on them makes sense for Canadian economic growth, national security, and the long-term defence of our allies.

Just like an energy realignment will take time and struggle, retooling and restocking the democratic community with more military production capacity and larger standing arsenals would be a good thing for deterrence, readiness, and economic development. Allowing Ukraine war fatigue to cut these initiatives short would remove the sense of urgency that makes these transformations viable and necessary, and will leave the democratic community as vulnerable and ill-equipped as we were on February 24, 2022.

For the moment, this path of energy realignment and military rearmament appears to be the one that the North Atlantic community is on. NATO chief

Jens Stoltenberg has pledged that the alliance will remain in Ukraine's corner "as long as it takes," and Canada's own federal government has been equally vocal in its long-term support of the beleaguered democracy.

This is very good. And sustaining that energy will require political will from allied capitals like Canada's. Failing that, Ukraine war fatigue, and the seductive logic of those that enable such narratives like President Macron, will take deep root in the West.

This must be resisted. The right path forward is for the democratic community to learn from the mistake of our decadeslong disarmament and create a future for the democratic community defined by energy independence, economic growth, and collective security for the long-term.

Matthew Bondy, a former Army reservist, writes independently on public policy and national security.



Setting up a registry of foreign agents is in no way racist. But assuming it would contain only Chinese names is.

David Mulroney

A mid reports of Chinese foreign interference in Canadian elections, federal ministers Marco Mendicino and Mary Ng have voiced concerns that setting up a registry of foreign agents could unfairly target Canadians of Chinese origin and even prove racist.

But this argument doesn't just prejudice people before any consultations even begin – it is also based on false assumptions about foreign agents and their victims.

Far from being racist, requiring transparency of those who speak, lobby, or disburse money for China or any other Diaspora communities ... are often the first targets of foreign interference.

foreign state protects vulnerable members of diaspora communities, who are often the first targets of foreign interference. Indeed, the Chinese Communist Party has long prioritized the infiltration, coercion and harassment of diaspora communities worldwide as a means of advancing its power and influence.

This has accelerated under Xi Jinping, whose vision of "the Great Chinese nation" uses patriotism as a cover for the extension of China's extraterritorial reach. The party and its proxies routinely infiltrate student groups, cultural and community associations and Chinese-language media in foreign countries. In Canada, this has been enabled by the shameful failure of our own officials to protect diaspora members from the long arm of the Chinese state.

The most odious example of Beijing's extraterritorial reach is the establishment of what have been referred to as overseas "police stations." Human rights groups have said that Chinese officials use these places to interrogate and intimidate people of Han Chinese, Tibetan and Uyghur origin, hoping to compel their return to China to face prosecution. The RCMP is now reportedly investigating sites in British Columbia, Ontario, and Quebec. As welcome as these efforts are, it's hard to understand why it has taken so long. It is reasonable to worry that, until recently, at least some Canadian police may have simply assumed that whatever went on in Chinese diaspora communities was China's business.

Unfortunately, this isn't the only indication that Canadian officials may be facilitating the steady accumulation of extraterritorial power by Chinese diplomats.



and, in some cases, advance agendas on behalf of foreign paymasters. Canadians need greater transparency from this privileged and, it needs to be said, ethnically diverse community, which exercises considerable influence behind the scenes.

Former politicians and public servants should be required to report any arrangements in which they market to foreign states the knowledge, experience and contacts they gained while serving Canada, or that require them to perform any functions in Canada for such states. This would include disclosure of board memberships, consulting contracts, subsidized travel, appointments to political bodies, and other perks provided to themselves or family members, directly or indirectly by foreign states.

In addition, I've also recommended that work as a foreign agent render

How can we extend our continuing trust to individuals who have decided to serve a foreign state, especially one that is hostile to Canada?

Show up at a Lunar New Year's gala anywhere in the country and you'll find Canadian politicians at all levels and from all parties falling over themselves to pay lavish tribute to China's flag, anthem and diplomats. This joyous family celebration, which China's communist rulers banned for many years, has been cynically co-opted by Beijing's diplomats, who turn the event into a victory lap and a high-profile demonstration of their local authority. Instead of voicing a challenge at these events, Canadian politicians seem more intent on squeezing into the group photo with the presiding Chinese functionary.

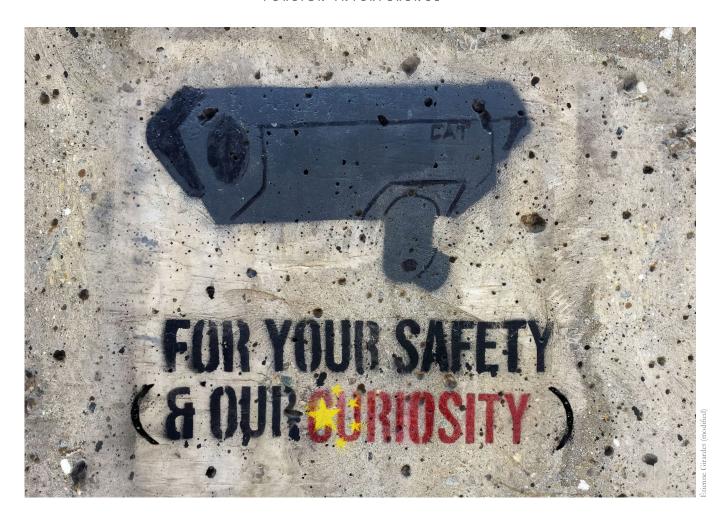
Interference by the Chinese state is by no means limited to diaspora communities, something a registry of foreign agents would make clear. There is mounting evidence that China's efforts are ambitious, sophisticated, and national in scope. Yet oddly enough, the fact that not all foreign agents are of Chinese ethnicity seems not to have occurred to Mr. Mendicino and Ms. Ng.

I have for some time advocated for an Australian-style foreign agent registry in Canada, one designed to include the names of everyone who is delivering Beijing's talking points, disbursing its payoffs, and lobbying on its behalf. Such a list would almost certainly include more than a few residents of Canada's capital, where many former ministers and mandarins remain after retirement to run associations, represent major firms, opine on nightly news panels, rub shoulders with serving officials

individuals ineligible for appointment to federal boards and agencies, and for membership in the Order of Canada or elevation to the Privy Council. How can we extend our continuing trust to individuals who have decided to serve a foreign state, especially one that is hostile to Canada? There is nothing "Honourable" or, indeed, "Right Honourable" about being on Beijing's payroll.

Setting up a registry of foreign agents is in no way racist. But assuming it would contain only Chinese names is.

David Mulroney is the former ambassador of Canada to the People's Republic of China and an Advisory Council member at MLI. This article originally appeared in the Globe and Mail.



What is this government doing to protect Canada's sovereignty against China?

If this interference goes unchecked and there are no criminal or diplomatic consequences, though, it will obviously embolden China to do much more of it.

Charles Burton

anadians in every corner of this country need to be alarmed by the latest evidence that China has criminally interfered with, and attempted to influence the results of, Canada's last two federal elections in 2019 and 2021.

But perhaps equally concerning is the

Canadian government's languid response to these shocking reports – compiled by the Canadian Security Intelligence Service (CSIS), but revealed in the *Globe and Mail*, which detail an extensive scheme meant to corrupt our elections and determine which political party forms Canada's federal government, as well as the kind of power the elected government would be allowed to wield.

Globe journalists viewed secret documents from Canada's most senior security agency that alleged that Chinese diplomats in Canada have recruited or pressed proxies to smear candidates deemed critical of China and funded the campaigns of their rivals, in a program aimed at preventing the Conservative Party from winning elections in 2019 and 2021.

While the blockbuster reporting is startling in its access to credible and top-secret information sources, the fact is that Canada's leaders have been told numerous times in recent years about China's malign influence campaigns operating in this country – and have done little about it.

They were told as recently as February 7, when David Mulroney, Canada's former ambassador in Beijing, testified to the allparty Commons Procedure and House Affairs committee, which is studying alleged foreign election tampering in the campaigns of at least 11 candidates in the 2019 federal election who were both Liberal and Conservative.

"Beijing's tools include bribery, disinformation, collusion with criminal gangs and the ever-present threat of hostage-taking. It is increasingly sophisticated in its intimidation of elected officials who dare to speak the truth to Canadians," said Mr. Mulroney. "Beijing's objective is a degree of influence – in our democracy, our economy, our foreign policy and even in daily life in some of our communities – beyond the ambitions of any other country."

I spoke to that same committee about China's massive program of influence-peddling, disinformation and coercion to suppress all voices in Canada critical of Beijing. Last year I sent the same committee a list of 18 reports and journal articles containing authoritative data on how the manipulation works in Canada and abroad.

Given all this evidence, Canadians may well wonder what their government is doing to protect them from China's schemes. Yet no serious action seems to have been taken by Canadian authorities: no court cases or RCMP investigations appear to have been launched, and no diplomats have been ejected. Indeed, the sheer size of Beijing's diplomatic corps here should have long ago raised alarms. China has 146 envoys accredited in Canada,

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compared to 46 from Japan, 36 from India and 23 for the UK.

We also know the CSIS material has been shared with our Five Eyes global partners and other allied intelligence agencies, as well as among senior government officials; *Global News* has reported that CSIS briefed Prime Minister Justin Trudeau on interference efforts in the 2019 election. But significantly, it doesn't seem to have been transferred to

the RCMP – the organization that would undertake an investigation, lay charges and advise the government about diplomats potentially engaging in these activities, which could be cause to send them back to Beijing.

In February, however, Mr. Trudeau unequivocally stated that "the outcomes of the 2019 and the 2021 elections were determined by Canadians, and Canadians alone, at the voting booth." This was an odd statement to make, however, since Canada is a secret-ballot democracy; we can't tell exactly why people vote the way they vote, and so it seems impossible to actually know if Chinese influence was instrumental in certain political candidates losing their seats.

But we do know that a foreign regime is running a disinformation campaign to try to sabotage Canadian elections. And we know, from the CSIS report, that donors who contribute to Canadian political candidates favoured by Beijing have been quietly and illegally reimbursed for the portion not covered by a federal tax credit.

These sorts of activities, coordinated by a hostile power, absolutely should not be tolerated. The RCMP should have long ago been dispatched into action, but we have seen nothing.

The fact that someone inside CSIS was prepared to allow journalists to see classified documents suggests a split inside Ottawa, between a concerned security agency and a political centre that may be too fearful of economic retaliation by China to act. If this interference goes unchecked and there are no criminal or diplomatic consequences, though, it will obviously embolden China to do much more of it.

Charles Burton is a Senior Fellow at MLI, non-resident senior fellow of the European Values Center for Security Policy in Prague, and a former diplomat at Canada's embassy in Beijing. This article originally appeared in the Globe and Mail.



As Ottawa balks at an election interference inquiry, public trust in our democracy is draining away

Foreign state actors and their Canadian enablers are able to engage in information and influence operations with relative impunity.

Marcus Kolga

Recent reports of Chinese interference in the 2019 and 2021 federal elections have exposed the details and extent of this threat to our democracy. Yet Canadians have been warned for years by our intelligence community and experts, including the all-party National Security and Intelligence Committee of Parliamentarians (NSICOP), that foreign authoritarian regimes are actively and regularly interfering in our democracy.

The agents of these authoritarian regimes are not passively sitting and waiting for the next election cycle before Foreign
authoritarian
regimes are actively
and regularly
interfering in
our democracy.

striking again. Even today, they are probing our political environment to identify and exploit our vulnerabilities and intensify polarization on both the political left and right.

These actors seek out and ensnare morally compromised former diplomats, academics and officials to act as their surrogates in Canada and amplify their

And it's not just our elections that are under threat. NSICOP has repeatedly warned that the fundamental rights and values of Canadians are threatened by hostile foreign state actors, and that diaspora or ethnocultural communities in Canada are intimidated and exploited in efforts to influence Canadian domestic and foreign policies. That Chinese, Russian and Iranian governments monitor and intimidate their critics and minority

communities is well documented. Such transnational repression has left millions of Canadians vulnerable to authoritarian surveillance and intimidation, which threatens their freedoms as Canadians.

Over the past 12 months, Deputy Prime Minister Chrystia Freeland, and members of the Ukrainian community in Canada, have been targeted by hateful Russian state narratives that are intended to dehumanize and silence them. Many of those same narratives have been amplified by Canadian far-left and far-right domestic platforms that align with Vladimir Putin's anti-NATO and xenophobic extremism.

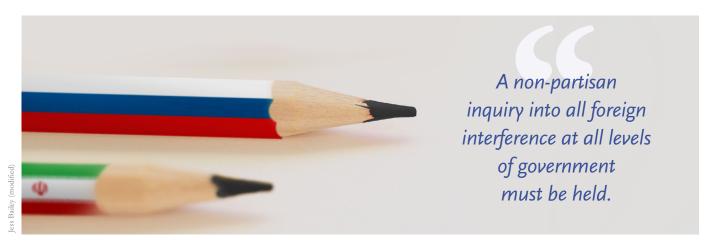
in Canada to register with the federal government. This foreign interference certainly contributed to his election defeat, though its full impact is unknown.

While our federal elections are theoretically monitored for interference by the Security and Intelligence Threats to Elections Task Force, political nomination processes fall below most radars. In districts where one party dominates, rigged nomination processes can ultimately determine who will represent that riding. A recent investigation by *Global News* found that at least one Toronto-area nomination process in 2019 may have been affected by

intimidation, transnational repression and any domestic actors who help facilitate attacks on our democracy.

Transparency and accountability are toxic to those who seek to corrupt our democracy, and the threat of being exposed and held to account is a significant deterrent. A Canadian foreign influence registry would help ensure transparency by requiring individuals and groups acting on behalf of a foreign regime to register with the federal government.

Our election laws must be amended to prevent foreign governments and their proxies from manipulating future



While we may wish to believe that foreign authoritarians would prefer one Canadian political party over another, the truth is that they seek out and exploit issues that have the greatest potential to divide us – regardless of political affiliation. The Kremlin has exploited and amplified both sides of many socially sensitive issues in order to intensify divisions.

There is clear evidence that foreign regimes have manipulated our democratic process to punish candidates who are critical of them. During the 2021 federal election, now-former Conservative MP Kenny Chiu says he was targeted by a Chinese information operation after he supported a foreign influence registry – this would require Chinese government proxies advocating for Chinese interests

foreign interference, where the winning candidate is alleged to have received support from the Chinese consulate.

There is little cost to foreign authoritarians to engage in such operations, and no significant consequences to deter them. Foreign state actors and their Canadian enablers are able to engage in information and influence operations with relative impunity.

The latest allegations about foreign interference in Canada require an immediate government response to stop the further erosion of public trust in our democratic processes.

A non-partisan inquiry into all foreign interference at all levels of government must be held and its focus should include foreign influence operations, disinformation, nomination processes in vulnerable ridings.

Finally, a full-time task force that includes members of all political parties, civil society experts, and representatives from the media, social media and academic sectors, should be mandated to monitor and expose threats to our democracy and alert parliamentarians to them on a full-time basis.

Never before has the integrity of Canada's democracy been under such threat. The government must act quickly to formally investigate these recent allegations of foreign interference before even more damage is done.

Marcus Kolga is a Senior Fellow at MLI. This article originally appeared in the Globe and Mail.



Brian Lee Crowley

After the Chinese Communist Party's 1949 victory in China's civil war, the question of "Who lost China" rocked Washington. After President Biden made his first presidential trip to Ottawa, he should ask if the next country about which that question will be asked is Canada.

The loss would not be economic. The US-Mexico-Canada (USMCA) trade pact continues to underpin a vast economic relationship neither party wants to undermine, although recent Biden administration policies to promote "Buy America" are an irritant that violates the spirit of that agreement. Canada, as the smaller and more trade-dependent partner, cannot afford to lose the privileged access to US markets that the USMCA ensures.

National security is another matter

Canada's democracy isn't the only institution under siege.

entirely, however. The last decade has seen a dawning realization in Washington of the dangers posed by a resurgent China heading a group of authoritarian revisionists that includes Russia and Iran. These countries chafe under a rules-based international order that thwarts their will and imposes moral, diplomatic, economic, and military penalties on violators, such as Russia

following its invasion of Ukraine. They long for a return to unrestrained Hobbesian Great Power competition.

The United States has risen impressively, if slowly, to this challenge. It has provided extraordinary levels of support to Ukraine. It has spearheaded and embraced innovative arrangements, such as the "Quad" (India, Japan, Australia, and the United States) and AUKUS (Australia, United Kingdom, and the United States) in the Indo-Pacific, and bilateral defence cooperation agreements and NATO expansion to deter Russian aggression in Europe. Moreover, it has become the world's largest oil producer and LNG exporter, providing a lifeline to a Europe compelled to reduce its reliance on Russian gas.

Canada, in marked contrast, is fast becoming an honourary Third World country from a national security point of view. This is due, at least in part, to Washington's benign neglect of Canada, thereby encouraging the belief that Canada could embrace China and indulge in diaspora politics with impunity.

Our contribution to joint continental defence, via NORAD, is dilapidated, while Russian and Chinese advances in hypersonic weapons systems have made North America vulnerable. After Russia's invasion of Ukraine, Canada announced it would spend \$4.9 billion over six years to improve our capabilities, but progress is glacial. The will to buy desperately needed

Once upon a time Canada's absence might have been explained by the political sensitivities of being seen as too close to the US and the need to manage the independence movement in Quebec. Those traditional explanations are now taking a back seat to revelations of the extent of China's penetration of Canada's institutions at every level, including its political parties.

Canada's security services have been sounding the alarm on China's growing interference and nefarious activities for decades; indifference and hostility were Chinese origin have for years been vainly flagging the presence of representatives of the CCP's security agencies, who threaten citizens and permanent residents if they do not do Beijing's bidding.

Canada is now so compromised that Canada's intelligence-sharing allies, particularly in the "Five Eyes" alliance, quietly wonder if it is safe to share sensitive information with Canada.

Job One for America is rallying the liberal democracies against the depredations of China-led authoritarians. Yet Washington faces the real possibility

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Canada's security services have been sounding the alarm on China's growing interference and nefarious activities for decades.

new weapons systems is lacking, hence the more than a decade it took us to decide to purchase F-35 fighters. When the leaders of Japan and Germany came and begged Canada to make more of its abundant energy resources available, they were sent away empty-handed.

Canada's military spending is two-thirds of NATO's target of 2 percent of GDP, and a fraction of the United States' 3.48 percent. Canada top soldier Gen. Wayne Eyre lamented this month he doubts our capacity to lead a mooted mission to Haiti, our military being already stretched thin by its modest contribution to Ukraine and leadership of the NATO mission in Latvia.

Compare this to the renewed commitment of Australia and the UK under AUKUS to buy new nuclear submarines, to embrace unprecedented levels of technological and command cooperation, and to increase greatly their military spending in consequence. Canada's response to these shifts has been tepid, slow, and condescending.

official Ottawa's response. Recently leaked intelligence assessments that Chinese Communist Party United Front operatives worked actively to influence the results of elections at every level have finally caused the public to take notice of the CCP's clandestine activities.

The reaction of Prime Minister Justin Trudeau has been to appoint a family friend with his own China links as a "rapporteur" to investigate Chinese election interference, and to vilify both the security services and those concerned about China's violation of Canada's sovereignty.

Canada's democracy isn't the only institution under siege. There has been no public accounting of events at Canada's infectious diseases lab where Chinese scientists appear to have been sharing research secrets with Chinese authorities. Chinese researchers and graduate students, shut out of the US for security reasons, are heading to Canadian universities, which have close and open research ties with their American counterparts. Canadians of

that its northern neighbour won't just fail to shoulder its share of the load, but that its institutions may be so compromised as to be unable to act in the interests of the West. It is time for America to start doing its part to arrest Canada's slow-motion defection by reversing the neglect, complacency, and dismissiveness that helped to create it. As Prime Minister Trudeau likes to say, better is always possible.

The only question that should have been on President Biden's mind, the one on which his entire visit must have focused, is this: Is Canada willing and able to cleanse its institutions of the taint of corruption, and to rejoin its traditional partners in a calm but firm commitment to the security, intelligence, and military alliance that is the liberal democracies' last best hope? A president who doesn't get that commitment runs the risk of being known as the guy who lost Canada.

Brian Lee Crowley is the Managing Director of MLI. This article originally appeared in Real Clear Politics. Lower drug
prices are a
good thing, but
Canada's approach
to achieving them
was not

Without a collaborative relationship between manufacturers and governments, Canadians with unmet health needs will continue to suffer.

Nigel Rawson

ver the past six years, the Patented Medicine Prices Review Board (PMPRB) – Canada's federal drug-price regulating agency – has sought to impose lower drug costs when new pharmaceuticals are introduced here. But the main achievement of that crusade is that fewer new medicines are now available to Canadians.

In order for medicines to hit the market here, manufacturers must submit them for regulatory authorization. Between 2006 and 2014, 80 percent of new drugs submitted for regulatory approval in the United States or the European Union were

Canadians don't need additional anti-industry zealotry from their own federal agencies.

also submitted for approval in Canada. But by 2020, that rate had fallen to just 44 percent – a reflection of industry uncertainty. That began in May 2017, when then-health minister Jane Philpott set out to revise the PMPRB's regulations. To justify the changes, she noted that prescription-drug spending represented 10 percent of total health care spending in 1984, while in 2017 it was 14 percent, where it remains today.

The plan was to replace two higherprice countries in the PMPRB's 35-yearold price comparison test with six lowerprice countries, implement untried "pharmacoeconomic" tests to determine prices, and require drug developers to report any confidential rebates negotiated with public and private insurers. The only measure that survived legal challenges, however, was the change in comparator countries. Without evidence of excessive pricing, the courts ruled in 2020 that the PMPRB is "not empowered to control or lower prices."

In 2022, the PMPRB tried again. Instead of using its price-reference test with the new countries, the board invented new and complicated ways to try to severely

government accused of capitulating to the biopharmaceutical industry. Politicians have made similar allegations.

This insinuation was also made several weeks ago in PMPRB member Matthew Herder's resignation letter. Joining the chorus were former board chair Mitchell Levine and, in these pages, Ms. Philpott, criticizing what they see as a lack of resolve in the federal government.

legal proceedings for Canadians that could have been avoided." Her ideas to re-examine pricing policy and methods and her "concerns about the legality of part of the reform" were ignored by the board.

The PMPRB has outlived its usefulness and should be disbanded. If it is to remain, the federal government must clean it out. In February, Thomas Digby, an intellectual-property lawyer with more than

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reduce drug prices. Unlike the 2017 guidelines, the 2022 version was short on detail, although the board tried to be more intimidating by threatening to launch an investigation if it decided a manufacturer's list price wasn't low enough.

By focusing on mandating prices, rather than assessing whether they are excessive, the PMPRB appeared to flout the Federal Court of Appeal's unanimous decision in 2021 that "excessive pricing provisions in the Patent Act are directed at controlling patent abuse, not reasonable pricing, price-regulation or consumer protection at large."

Today, federal Health Minister Jean-Yves Duclos and the Liberal government have wisely decided not to proceed with further changes to the PMPRB regulations. This shift has been criticized on several occasions in the news media, with the But the withdrawal of the proposed changes was not a case of acquiescing to the industry. It happened because the PMPRB and its staff's apparent hostility to the industry was unconstitutional.

In his letter, Mr. Herder praised the integrity and expertise of PMPRB staff. However, their integrity and impartiality are questionable when freedom of information requests reveal the board and its staff's disrespect for the drug developers they regulate, stating that the industry is putting "profits first and patients a distant second," and "has been sucking Canada for decades."

The resignation letter of Mélanie Bourassa Forcier, the board's acting chair, was also revealing. She wrote, as translated from French, that there is a "dialogue of the deaf that has been going on for years between the pharmaceutical industry and the PMPRB, which has resulted in costly 25 years of experience working with the pharmaceutical sector, was appointed as the board's new chair. This may be a step in the right direction, but that remains to be seen.

Everyone would like drugs to be cheaper, but not at the expense of having pharmaceutical companies and their innovative medicines bypass Canada. Several adversarial barriers to launching novel medicines already exist in this country, and Canadians don't need additional anti-industry zealotry from their own federal agencies to deter developers. Without a collaborative relationship between manufacturers and governments, Canadians with unmet health needs will continue to suffer.

Nigel Rawson is an affiliate scholar with the Canadian Health Policy Institute and a Senior Fellow at MLI. This article originally appeared in the Globe and Mail.

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WHAT PEOPLE ARE SAYING ABOUT MLI

The Right Honourable Paul Martin

I want to congratulate the **Macdonald-Laurier Institute**

for 10 years of excellent service to Canada. The Institute's commitment to public policy innovation has put them on the cutting edge of many of the country's most pressing policy debates. The Institute works in a persistent and constructive way to present new and insightful ideas about how to best achieve Canada's potential and to produce a better and more just country. Canada is better for the forward-thinking, research-based perspectives that the Macdonald-Laurier **Institute** brings to our most critical issues.

The Honourable Jody Wilson-Raybould

The Macdonald-Laurier **Institute** has been active in the field of Indigenous public policy, building a fine tradition of working with Indigenous organizations, promoting Indigenous thinkers and encouraging innovative, Indigenous-led solutions to the challenges of 21st century Canada. I congratulate **MLI** on its 10 productive and constructive years and look forward to continuing to learn more about the Institute's fine work in the field.

The Honourable Irwin Cotler

May I congratulate MLI for a decade of exemplary leadership on national and international issues. Through high-quality research and analysis, **MLI** has made a significant contribution to Canadian public discourse and policy development. With the global resurgence of authoritarianism and illiberal populism, such work is as timely as it is important. I wish you continued success in the years to come.

The Honourable Pierre Poilievre

The Macdonald-Laurier Institute has produced countless works of scholarship that solve today's problems with the wisdom of our political ancestors. If we listen to the Institute's advice, we can fulfill Laurier's dream of a country where freedom is its nationality.

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