THE GLOBE AND MAIL

RISING FROM THE ASHES: THE SQUAMISH PROJECT RESHAPING VANCOUVER

18 BIG IDEAS ON HOW TO KICKSTART CANADA'S ECONOMY

OUR HEALTH CARE SYSTEM IS SICK. DR. KEVIN SMITH IS TRYING TO SAVE IT

RIP, LEGROOM. THE LATEST CASUALTY OF AIRLINE COST-CUTTING

REPORT ON BUSINESS

TOP GUNS

THESE CANADIAN ACES TRAIN FIGHTER PILOTS WORLDWIDE. AND BUSINESS IS BOOMING

MARCH 2026

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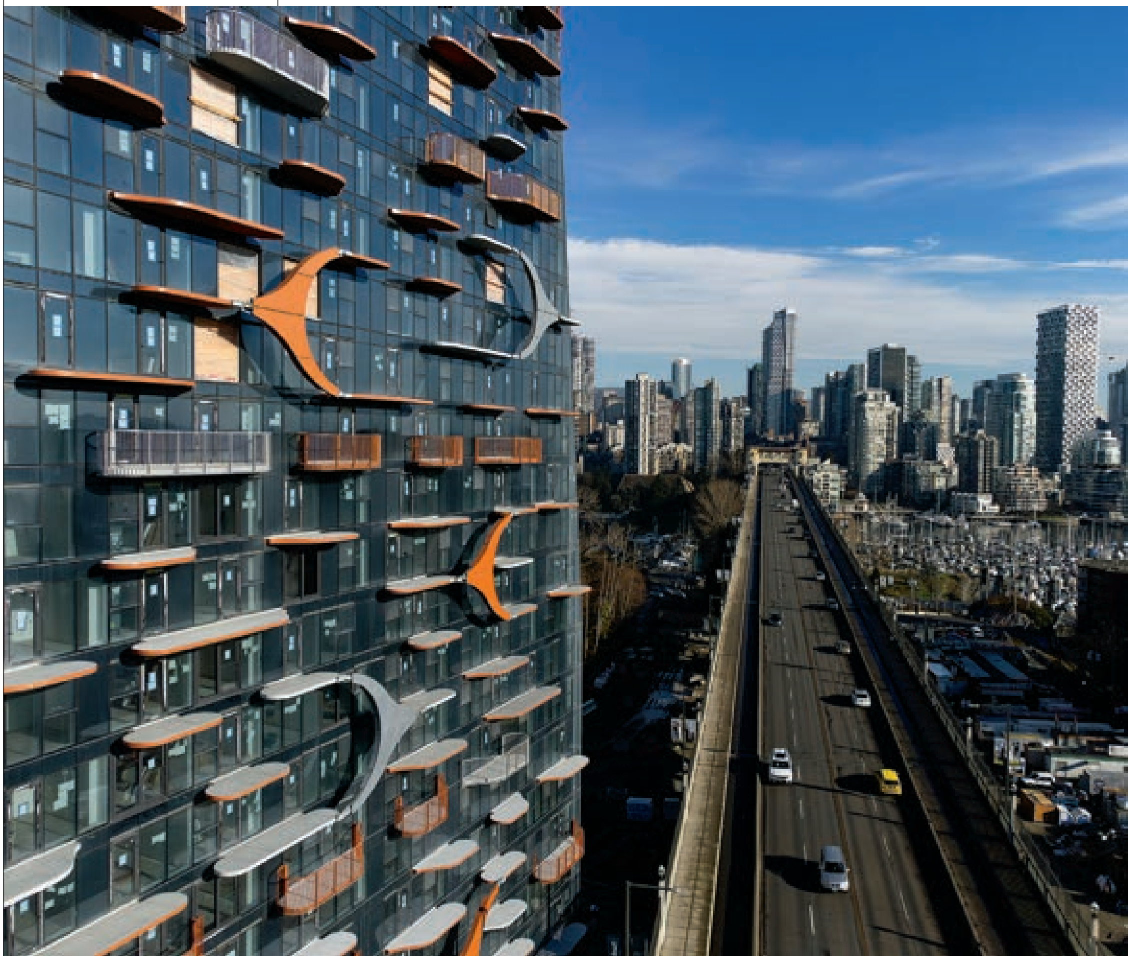

COVER PHOTOGRAPHED EXCLUSIVELY FOR *REPORT ON BUSINESS* MAGAZINE BY EMILE DESROCHES-L; (RIGHT) ALISON BOULIER

Ready for takeoff

Between Mark Carney's much lauded speech at the World Economic Forum and the wild success of Crave's *Heated Rivalry,* Canada is suddenly cool again. Both global phenomena present a sort of utopia: In *Heated Rivalry*'s case, it's a world where openly gay hockey players are embraced by fans, and a Canadian team regularly wins the Cup. In Carney's, it's one where middle powers really do stop accepting subordination and actively work to build the reality we claim to believe in.

There's a lot to do between here and there, of course. Much of it begins by building strength at home, as the prime minister put it, noting that his government has so far cut taxes on business investment; removed federal barriers to interprovincial trade (though the provinces have yet to catch up); fast-tracked $1 trillion in investments in energy, AI and more; diversified our trade partnerships; and vowed to double defence spending so we can protect both ourselves and our allies from threats far and disconcertingly near.

A lot of those threads come together in this month's cover story. It's a profile of Top Aces, which for years has flown under the radar as one of Canada's most successful global defence contractors. Founded by a trio of former Canadian fighter pilots, Top Aces offers air-combat training to militaries around the world. Its key product is the expertise of its roster of top guns, along with a fleet of jets tricked out with Top Aces' own cutting-edge tech that allows these aged aircraft to take on even the most sophisticated fighters.

Business is booming. Its most recent contract with the Canadian Armed Forces, a 10-year deal signed in 2017, is worth $750 million. Recently, it re-upped with the German military for $650 million over 10 years. It has contracts in several other countries, too, including the U.S., where Top Aces owns the world's only private fleet of F-16s. It's an arrangement that's surely becoming more fraught the deeper into mayhem and belligerence that country falls.

I have to admit, I was burning with jealousy when I assigned this story to Jason Kirby. My dad spent 30 years in the Canadian Air Force, much of it keeping our aging fleet of C-130 Hercules in the air, and attending the annual air show at CFB Trenton was practically a religious experience: the ground-shaking roar of a Herc's four massive turboprops, the throaty rumble of a Lancaster, the *screeeeeeech* of a CF-18 that would rattle your bones.

The fighters were, of course, everyone's favourite, and the pilots who flew them were like rock stars. They'd chased the demon that lived around Mach 1 on the meter. They'd made it to the top of the pyramid. And they had the egos to show for it.

Maybe that's the key to Top Aces' success: the fighter jock's unflinching faith in their own ability, whether facing down an enemy aircraft or coming up with tens of millions to buy an entire fleet of jets.

If you're an entrepreneur in need of a little Yeager swagger, read Tom Wolfe's 1979 masterpiece *The Right Stuff*. If you're in need of reminding what Canadian companies can accomplish, turn to page 24 and read "The fight stuff."

/Dawn Calleja

Have feedback? Email us at robmagletters@globeandmail.com

REPORT ON BUSINESS
THE GLOBE AND MAIL

March 2026, Volume 42, No. 4

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PHOTOGRAPH ON LOCATION AT THE CHASE BY DANIEL EHRENWORTH

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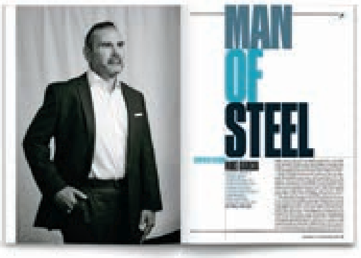
Chiefly praise

Our annual CEO of the Year package hailed four exceptional leaders. Most of the criticism was reserved for the editor.



Niall McGee's profile of Algoma's Mike Garcia stood out among the excellent stories in the CEOs of the Year feature. Despite the corny title ("Man of Steel," likely an editor's contribution), the story avoided the usual tough-guy clichés, and provided a compelling and complex portrait of the type of CEO we need to take on Trump. **—Paul LeBel**

What a great story. Of course it is—[Gord Johnston] is a dynamic, successful subject. I also thought, "What a terrific corporate culture!" Stantec expects its employees, at all levels, to be engaged and excited about generating contacts. Which means the expectation is that they'll all be engaged in selling the firm's services to those contacts. **—Rich Mole**

Doing Canada proud, Gord. Encouraging ideas is the best thing a leader can do. That, and being approachable. Sounds like he's busy with Stantec, but I hope Carney might ask for him for ideas on getting our Canadian projects going. Great name, too! **—Gord Johnston**

I found the blatant grammatical error in the cover headline annoying: "Stantec's Gord Johnston is built different." "Built" is a verb and requires an adverb. I hoped that *The Globe and Mail* would uphold better grammatical standards. **—Jane Bonsteel**

LETTER WITH NO CONTEXT

"Dough Canada!"

The cover photograph of Gord Johnston is fantastic, He looks like a very happy man who is proud to be named CEO of the Year. **—Fruji Bull**

Lesson learned

In "What I've Learned," former RBC chair Katie Taylor shared advice from her varied career.

Your article's core message is bang on: Careers aren't ladders anymore, they're jungle gyms, and Katie Taylor's lived experience makes that point with refreshing authority. Her advice to pivot early isn't motivational fluff; it's survival strategy in a labour market defined by volatility, option value and technological churn.

The nuance worth surfacing—especially for my Grade 12s and university students—is that pivoting isn't randomness. In human-capital terms, what Taylor is really advocating is optionality: building transferable skills, dense networks and reputational capital that lower the switching costs between paths. Too many young people hear "pivot" and interpret it as perpetual indecision. In reality, the best pivots are made from a strong base of generalizable competencies such as communication, analytical reasoning and institutional literacy, not panic or boredom.

There's also a quiet warning embedded here. By your 30s, path dependence kicks in. Debt structures, family obligations, and signalling effects harden incentives. Any labour economist would call it lock-in; Taylor calls it cement around your feet. Same diagnosis, better metaphor.

Zooming out, this isn't just great career advice; it's an indictment of how we educate. We still train students for occupational certainty in an economy that no longer offers it. Teaching people how to adapt matters more than telling them what to become. The real pivot Canada needs is cultural: from credential worship to lifelong recalibration. **—Dave Suchanek**

Foreign affairs

Is Canada's reliance on temporary foreign workers hurting growth? John Lorinc's Big Idea suggested it is.

Canadian business has become addicted to both cheap labour and cheap money. Both addictions are damaging to the economy. **—Joel Banks**

So TFWs are good for individual businesses, allowing them to keep labour costs low, but bad for the economy because they stifle the need for businesses to innovate and invest. The same principle holds true for Canadian protectionism. We have protected Canadian airlines, banks, telcos, liquor retailers, etc., and as a result they have no incentive to innovate and invest. Our productivity languishes.

Truly free markets require the courage to see businesses evolve (and sometimes die), free from government intervention. **—B. Tuckwell**

CONTRIBUTOR SPOTLIGHT

John Lorinc ("How to kickstart Canada's economy," pg. 47) is a Toronto journalist and editor. He writes about cities, climate and business for *The Globe and Mail*, *Spacing* and *Corporate Knights*, among other publications, and writes our monthly Big Idea column.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90 SECONDS
Max amount of time it can take to evacuate all passengers and crew from a commercial aircraft, even with half the exits blocked, according to Transport Canada safety regulations

03.26

GRAPHIC DETAILS

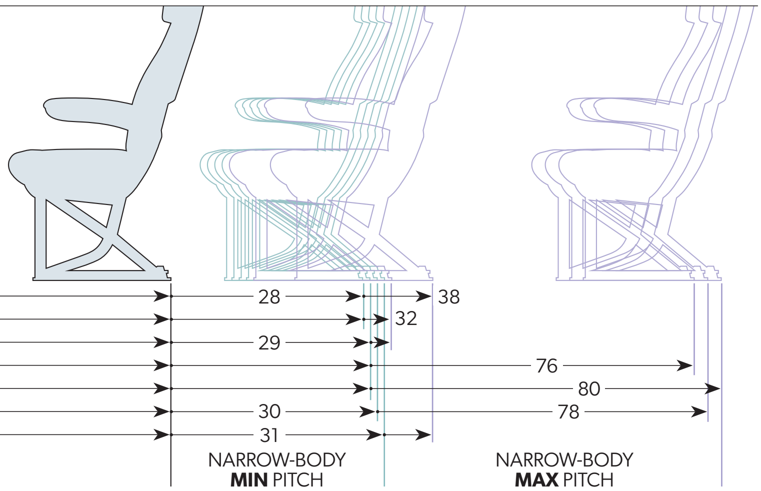
GIVE KNEES A CHANCE

Travelling by air was once a luxe affair. Fine china! Champagne! Legroom! In the 1960s, the average seat pitch—the distance between the back of your seat and the seat in front—was a roomy 35 inches. That has shrunk to 30 inches today as carriers put the literal squeeze on passengers—or at least those suckers in coach. WestJet recently introduced pitch of just 28 inches on some of its narrow-body jets, following the lead of budget carriers like Spirit Airlines. But it quickly backed down amid concerns for passengers' ability to safely evacuate in case of emergency, not to mention comfort. But you know it's only a matter of time before this latest of example of air-travel enshittification becomes the norm. We miss you, Wardair.

ILLUSTRATION JOEL KIMMEL

BRACE FOR CRAMPAGE!

Average seat pitch on narrow-body aircraft (in inches), which varies wildly depending on airline, aircraft, cabin class and configuration.



SHRINKING SEATS, EXPANDING HUMANS

AVERAGE WEIGHT (U.S., LBS)

1960S

MALE	FEMALE
166	140

TODAY

MALE	FEMALE
196	166

"As an entrepreneurial airline founded on making air travel affordable to Canadians, it's in our DNA to try new products. At the same time, it is just as important to react quickly if they don't meet the needs of our guests."

—WestJet CEO **Alexis von Hoensbroech**, a German who spent 16 years at Lufthansa and has a PhD in astrophysics

Spirit Airlines of Florida, which also has seat pitch of 28 inches, filed for bankruptcy for the second time in August 2025 amid losses of more than US$1 billion

THE EXCHANGE

THE DOCTOR IS IN

BY TREVOR COLE

Remember this scene in *Cast Away*? The resourceful Tom Hanks character, stranded on a desert island, builds a raft to try reach the open ocean. But he keeps getting pushed back by the unrelenting waves. Dr. Kevin Smith can probably relate. As president and CEO of the University Health Network, Smith oversees the third-largest research organization and No. 1 research hospital in Canada. *Newsweek* magazine rated UHN the third-best hospital in the *world*, behind only the Mayo Clinic and Cleveland Clinic, making it the top publicly funded hospital on the planet. But that "publicly funded" part is a problem. In 2024, UHN poured about $600 million into research, roughly twice as much as the next-ranked hospital. The potential benefits are vast. But the costs of health care keep rising in waves, while government funding is stretched to the limit, and philanthropy can only do so much. How can UHN and the country's health care system keep growing and improving to meet the needs of Canadians when its financial base is increasingly overwhelmed? The resourceful Dr. Smith has answers, to that and a few more questions. We spoke at his office in Toronto.

Six years past the start of the COVID-19 pandemic, how would you describe the state of the Canadian health care system?
The people who deliver care and science and training are tired. They've been through a lot. We continue to have significant demands. Our emergency rooms are super busy. Primary care has been greatly disrupted, and we know that not everyone has a primary-care doc. So access is the No. 1 challenge. The changing demography and expectations, as well. Canadians are saying they want more rapid access to services. At the same time, our growth potential economically is limited by the public purse. Every year, every government of every stripe spends way more money on health care. Unfortunately, spending is not keeping pace with the expansion based on inflation, population growth, aging and amazing new therapies. And that is very stressful to those of us who deliver care, and particularly those of us who are trying to invent new models of care.

We've got ER patients waiting for hours, stuck on stretchers, being treated in hallways. (1) People wait months for surgeries while operating rooms close by 4 p.m. because they're underfunded and understaffed. Ontario's approach seems to be to fund the building of operating rooms in private clinics. Is that the right approach?
The right approach is multiple approaches. The flashing light of the emergency room is the symptom. The illness is flow. We don't have capacity across our system. You may not like waiting to have an ambulatory care visit and then go home, but that's not the real problem. The real problem is the frail, sick person who needs to be admitted. We can't get them out of the ER because somebody else is already in the acute or long-term care bed or the rehab bed or can't get enough home care to go home. And we're not going to solve today's problem with yesterday's solution. I think the most powerful medical tool in our arsenal is this. *[Holds up his mobile phone.]* The opportunity of virtual care, AI-assisted care, supportive, technologically based care, is dramatic. If I could make your in-patient surgery day surgery, and send you home with expert care and monitoring, and a rapid response when required, I could do way more surgeries.

A bunch of doctors are due to retire soon. I guess that means the problem is going to get worse?
Or it means we're going to have to look at how we use physicians differently. The good news is that we have two new medical schools opening, (2) so we're growing the number of people we're training. The challenge is, every doctor costs the funder roughly $1 million minimum, when you think about their income, their prescribing pattern and the other things that result from passing patients through the system. How do you fund this on a tax base at a time when

1. In 2024, only one in 10 Ontario hospitals met the eight-hour wait-time target. That's down from one in four before the pandemic.

2. Toronto Metropolitan University's medical school recently opened. A second one at York University has been funded and is due to open soon.

PHOTOGRAPHS RENÉE RODENKIRCHEN

we have a lot more demand, and when we're looking to government to stabilize a whole bunch of other industries at this time of great rupture? I fully support universal access, but are there other funding models we can work with? I don't see how a place like UHN can remain among the best in the world if we only look to the public purse.

It sounds like you're leaning toward a U.S. model.

I'm absolutely not leaning to a U.S. model. My examination would be Europe and other Commonwealth countries. Most people don't appreciate that 40% of what we spend in health care is already in the private sector. **(3)** All physicians are individually incorporated. They work in the private sector. What's different is, for most physician services, there's only one payer—the public purse and a tax base that isn't keeping pace with our needs. We need to look at what other funding mechanisms might be possible. What would a not-for-profit medical insurer look like in Canada? I think that when you default to a government funding model and a government insuring model, it isn't necessarily easy for a political process to push forward on innovation.

Let's talk about innovation. Canada doesn't develop medicines the way they do in the States. We don't have big pharma companies. What do we do well?

We discover.

What do we discover?

We discover and undertake science for the discovery of molecules, medicines, patents, methodologies. We are a great scientist. Unfortunately, as soon as that happens, there is no commercialization engine. We spend $400 billion a year on health care in Canada. I am hard-pressed to buy anything that's Canadian-made. *[Presents a sheaf of printed pages.]* In the pages that are there, I've taken the liberty. You're the first person from the media that I've shared this with. I've literally looked around the world, and that document is a playbook for how Canada can become the ecosystem to translate science to commercial benefit and access. We are big enough. Ireland is 4.5 million people; they have one of the largest drug manufacturing environments in the world. Insulin was invented here at the University of Toronto and Toronto General. But today, no insulin revenues come to Canada. They go to Denmark, the United States and France. How many other lost discoveries do we have because our venture capital is not that risk tolerant? Our taxation structure doesn't reward it. That document is the template for Canada to be a superpower in science and medicine. That's how you prevent universal access from being eroded. **(4)**

What would implementing this system cost?

I have not costed it out in the way that I will, obviously. There will be significant upfront investment. There will be required changes in taxation. How did Denmark, Germany, the U.S. do this well? They invested in science, engineering and mathematics. And they created a corollary investment system that rewarded people who'd take a bet on that. We're spending the money anyway. We're sending it to foreign countries. Keep it here.

Would it mean diverting money from other research?

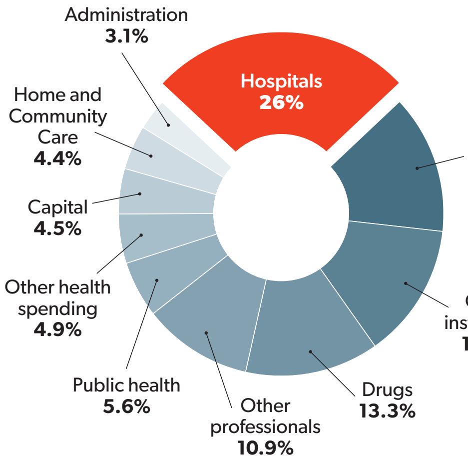
I don't think it would. If you're a vaccine researcher in the U.S. right now, you're dead. You can't get any research funded. An anti-vaccine leader holds the highest office of science in the U.S. If you were a vaccine manufacturer, wouldn't you want to be in a nation that supports and believes in science? Wouldn't you want to be where the best scientists are? We should be recruiting people who have the potential to build those industries. Create the science here, create the manufacturing here, create access to the Canadian population here, and create an export model. Translate science into products and products into wealth and wealth into taxes that fund our system.

I want to pick up on the reference to Robert F. Kennedy Jr. What influence do you see here from the MAHA movement in the States? (5)

We have to be careful not to be too glib, because the largest outbreak of measles isn't in the U.S. It's in Alberta. So we have a lot of challenges with scientific belief and scientific logic in our own country, as well. I'm not proud to say the uptake of flu vaccine by our own staff is not what I would like it to be. And we are the most science-based hospital in the country. We were the first hospital in the province that said, if you want to work here, you have to get vaccinated against COVID. A couple hundred people said, "I don't want to do that." They didn't have a good medical reason, and they departed us. And I regret that they departed us. What I don't regret is...I don't know why you'd want to work here if you don't believe in science. That is in our core DNA.

You mentioned recruiting. (6) From your experience, when scientists come to Canada, how many of them stay and thrive?

ALLOTMENT OF HEALTH SPENDING IN CANADA



3. Prescription drugs outside of hospital, dental services, eye care and some foot care are funded privately in Ontario.

4. Some components of Smith's plan:
a) Make the state a first customer. Tie R&D to paid deployments, with competitions that end in procurement.
b) License publicly funded IP to institutions or startups.
c) Create growth equity vehicles for pensions/insurers and complement with tax tools that reward commercialization in Canada.
d) Build government-funded agencies around specific missions, such as bio-manufacturing.

5. "Make America Healthy Again"

It depends on how well they do attracting operating grants, particularly mid-career scientists. We do pretty well at early-career. Later-career are usually so successful that it's not as problematic. But mid-career is what we have to really think about. Will they have the infrastructure? Fortunately, with the CFI being established by then Prime Minister Jean Chrétien, (7) we began to address the infrastructure shortfall. That continues to be an investment that's required. The current prime minister is a very research-intensive person who truly understands how the translation of knowledge into goods and services creates a vibrant economy. Now I think it's more important than just the economy. Now it's about solidarity. It's about protecting supply chains. It's about getting Canadians the scarce resources they need, including medicines.

Let's talk about AI. You're working to integrate AI into UHN work flows. How is it going so far?

Most of the big American hospitals would be deploying hundreds of active AI products. We are deploying 10s, 20s, 30s and 40s. We're one generation behind, which may not be a bad thing. We're already seeing many, many AI companies falter. On the level of health care, there will be a lot of false starts. Most of the initial stuff that we looked at and some that we tried to deploy was for low-value work. But AI is not cheap. So the ROI on some of these things actually doesn't have a good payback. Where I see the value is on high-value work. A physician could treat four patients instead of one in the same amount of time. Our surgeries could be sped up, so we could get two patients through in the same period of time.

How are you staffing to implement AI?

Three streams. One, AI scientists are now an essential part of our research recruits, and almost every program would have

them on their research team. The second is integrating them into evaluating products and making sure they complement our technology suite. We have something called the AI Hub, where we look at what AI products might fit our needs and whether they align with our other technological platform. We run a system called Epic, which is the predominant system of big academic hospitals. (8) It wouldn't make sense for us to select a product that is, *de novo*, never going to integrate well with Epic. The third piece will be to continue to evaluate, does this satisfy our users, both patients and providers? We also have a human-factors lab looking at how to incorporate this into the work flows of busy clinicians. We don't want to take people who are already frustrated by overly bureaucratic models and put more frustration into their day.

Any examples of how you're using AI?

One of our docs, Heather Ross, has developed a heart-failure product called Medly, which uses AI every day. You take your blood pressure with an automatic cuff and your weight with an automatic scale, and it downloads your data. And AI and a nurse practitioner adjust your medication every day, automatically. (9) Every time we avoid an exacerbation of those patients getting heart failure, we don't damage their heart muscle further, and we don't require a hospital admission. So big, bold things. The hard part is, in our system, how do you fund that? It's not an essential medical service. Canadians are predisposed to say, "Well, I already paid for health care in my taxes." So it is, again, a frequent discussion around how innovative technologies will be implemented early.

Among your peers, how unique is your comfort in thinking about commercializing aspects of our health care?

Most of us who work in the sector are scratching our heads over the way costs are going up, well beyond inflation. We have an aging and growing population, and we have these remarkable new technologies, some of which are outrageously expensive. We're inventing cancer drugs that are $1 million a patient. How do you fund that in an exclusively tax-based way? Would I ever want to see us go to a commodity-based, price-only system that says if you can pay, you can have as much care as you want? No. Do I think there are models of funding where we can be more creative and efficient? They exist. For example, the Workplace Safety and Insurance Board, while employer-funded, is a private health care system in Ontario. (10) The key is, don't disadvantage people who are not economically advantaged. Canada is one of the richest countries in the world, with one of the strongest scientific enterprises in the world. The best treatments should be available here, to everybody. We have to figure out a way to fund that. And it won't be exclusively through taxation.

This interview has been edited and condensed.

Trevor Cole is the author of five books, including the novel Practical Jean, *which won the Stephen Leacock Medal for Humour.*

6. Last April, UHN launched an effort to recruit 100 early-career scientists. So far, it's received nearly 700 applications and has made 52 offers; 35 new scientists are already on site.

7. In 1997, the feds established the Canada Foundation for Innovation to invest in research infrastructure at Canadian universities, colleges, research hospitals and non-profit research institutions.

8. Epic manages patient records. Through Epic, patients can use the MyChart tool to access their data.

9. Medly analyzes patients' weight, blood pressure and other info to provide feedback and alert care givers if necessary.

10. The WSIB provides no-fault collective liability insurance for workplace injuries and illnesses, covers five-plus million people and is entirely funded by employer premiums.

MADE IN CANADA

SNACK ATTACK

■ They're not quite a chip and not quite a cracker, but in this time of fracturing relations with our southern neighbours, Crispers are one of those rare snack foods that is wholly and unabashedly Canadian-made—for now, at least. They first appeared in 1991, when millennials were gorging on Pro Stars cereal and watching *Darkwing Duck* on morning cable TV. A fad of low-fat diet advice had turned conventional potato chips into a nutritional bogeyman, creating a gap in the market for baked-not-fried snacks. As many of those low-fat brands disappeared with changing dietary trends (RIP, SnackWell's), Crispers clung to survival in a country known for its predilection for a salty taste profile. "They have a healthier profile, but they still pack that same flavourful punch that people want in a salty snack," say Heidi Chiu, marketing director for Mondelēz Canada, the company that cooks up around 6.5 million pounds of Crispers a year at its Toronto bakery. Sales slipped a bit in the two decades after their launch, but the snack has re-emerged in the past five years as millennials indulge in a bit of nostalgia while shopping for their own kids. The resurgence has been so strong that Mondelēz plans to test them in an unspecified American market later this year—the kind of cross-border incursion most Canadians can support. **/Patrick White**

9
FLAVOURS OF CRISPERS

OTHER MONDELĒZ PRODUCTS MADE IN THE GTA

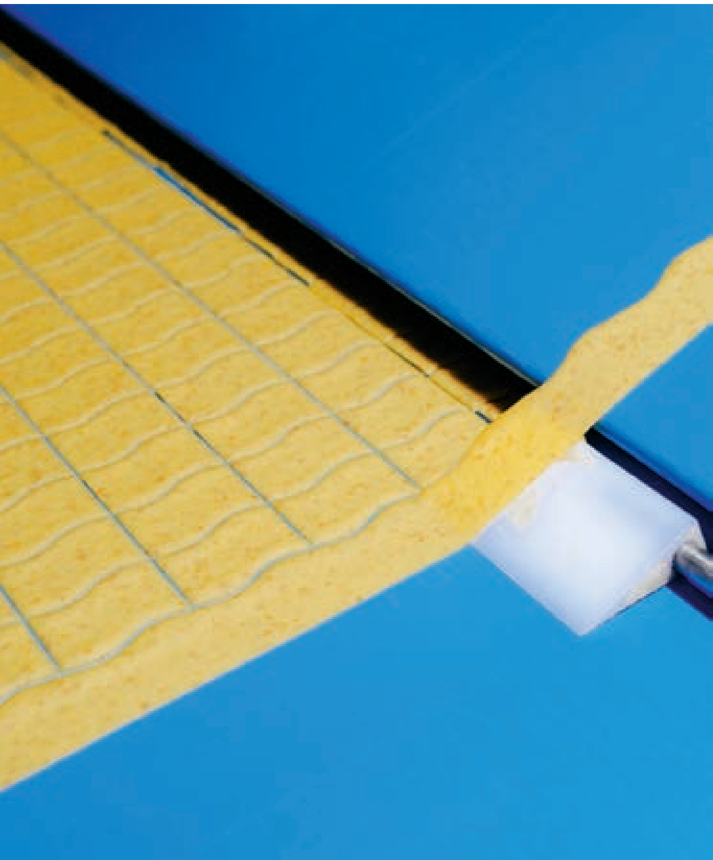
OREO, RITZ, HALLS

US$36 BILLION
MONDELĒZ INTERNATIONAL'S GLOBAL REVENUE

$250 MILLION
AMOUNT MONDELĒZ HAS INVESTED IN ITS ONTARIO FACTORIES IN THE PAST FEW YEARS

CRISPER, NOT TO BE CONFUSED WITH **CRISPR**, USED TO ALTER DNA SEQUENCES IN LIVING ORGANISMS

PHOTOGRAPHS BRENDAN BURDEN

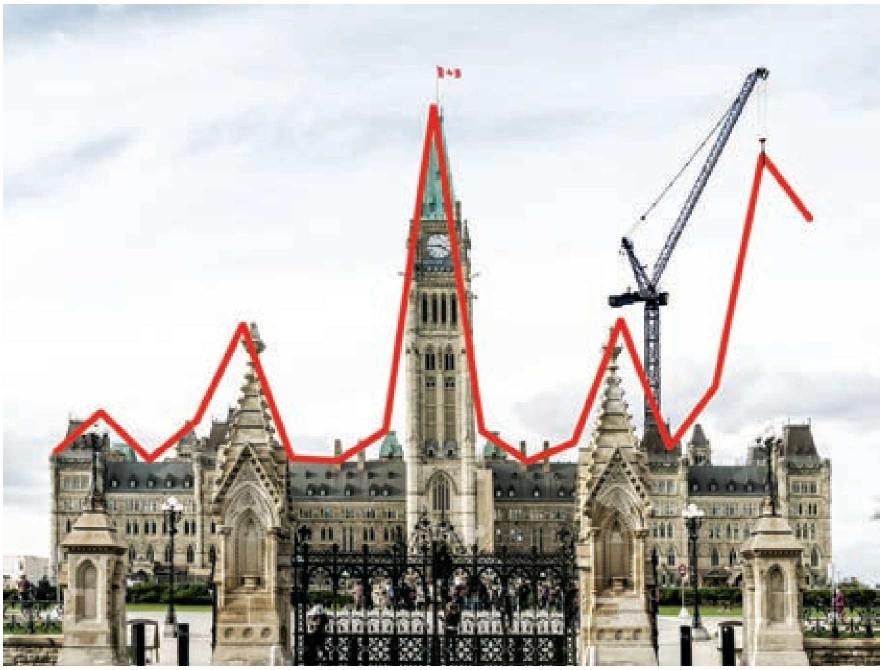


ROLL WITH IT
Edwin Lowe—who'd made a fortune from creating Bingo—launched Yahtzee 70 years ago. But the dice game was created in the 1940s by a wealthy Canadian couple, who played it on their yacht.

BIG IDEA

NEW KIDS ON THE STOCK

Step by step, Ottawa and Washington are wading into capital markets. But should they?



Last year, Foran Mining, a four-year-old VSX-listed copper miner with a large site in Saskatchewan, closed a $350-million private placement with Fairfax Holdings, Agnico Eagle and, somewhat unexpectedly, the Government of Canada, via a newish investment vehicle called the Canada Growth Fund (CGF). With a $15-billion pool of capital, the CGF has a mandate to invest debt or equity in emission-reduction projects.

Both Saskatchewan and Ottawa had previously anted up $131 million in financing for Foran, but the feds hadn't bought shares before. Now, the CGF—i.e., we—owns 10% of Foran's float, with a book value of $156 million. (The company's market cap as of mid-January was about $3.2 billion.) That deal is part of Prime Minister Mark Carney's campaign to reprogram the Canadian economy by pouring money into critical minerals—some through familiar channels, like project funding or loans, but also in the form of equity stakes.

Carney's Ottawa is not alone in its newfound interest in acquiring shares in publicly listed companies. The Trump administration reversed a long-standing U.S. practice by buying some hefty stakes in listed mining companies, as well as a whopping US$8.9-billion chunk of Intel, and an option to acquire 8% of nuclear giant Westinghouse. The buying spree includes US$35.6 million in the shares of a Canadian miner, Trilogy, which is of interest in Trumpland because of its ownership of mineral rights in Alaska.

Such deals revive an old question: Should governments wade into capital markets, thinking they know how to pick winners? "That could be a positive," says Jing Li, Canada Research Chair in Global Investment Strategy at Simon Fraser University's Beedie School of Business. "Having additional investment from government is, in general, a good thing for the company, as long as they don't really interfere in daily operations."

Other academics, however, hold to a view that traces back to 1980s neoliberal orthodoxies about government keeping its big wet nose out of private enterprise. Of course, that was never actually a hard-and-fast rule. Governments still provided largesse in the form of tax credits, contracts, or bespoke industrial policies like the CHIPS and Science Act. But in North America, at least, pols stopped short of buying shares until the 2008 credit crisis, when the Obama administration acquired stakes in hobbled financial institutions and General Motors.

Not all regions have shared in our devotion to Milton Friedman's church-and-state philosophy. Brazil's national government has been a major, and at times distorting, presence in that country's equity markets for decades. During this century, sovereign wealth funds have emerged as the world's largest equity investors. In China, Beijing owns stakes in hundreds of listed companies, many in strategic sectors. Likewise, France has long owned stock in major industrial firms through its Government Shareholding Agency, founded in 2003. As of 2024, the agency's €179.5-billion portfolio contained 10 listed companies, including Airbus and Renault.

According to a 2025 OECD report on the ownership of the world's 46,000 listed companies, governments controlled 10% of global market capitalization at the end of 2024. In a weird way, we're watching the 1980s privatization

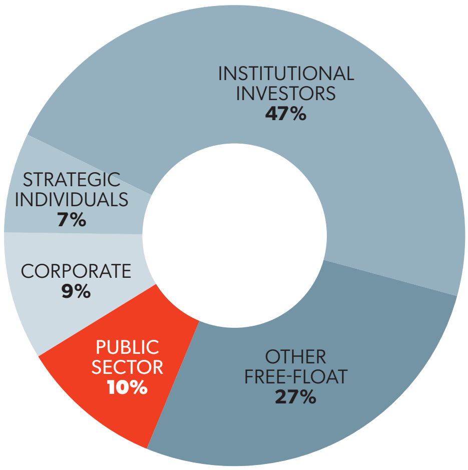
PHOTOGRAPHS GETTY IMAGES

movie running in reverse, except that these new government equity holdings raise different questions—less about flabby state-owned enterprises and more about corporate governance, crony capitalism and geopolitical meddling.

A few scholars do see a public policy upside. University of Massachusetts Amherst economist and lawyer Lenore Palladino argues that governments could become activist shareholders, persuading firms to incorporate social or environmental goals. "A public equity stake would function differently from a loan or grant in that it would enable the public to remain involved in [the company's] key choice points," she wrote in a 2024 white paper published by the Berggruen Institute, a California think tank.

However, in a poll of American economic experts conducted by the University of Chicago Booth School of Business last fall, 56% of respondents said U.S. government ownership of equity stakes in U.S. companies is "measurably detrimental" to performance, and 72% said it's "substantially detrimental" to good governance.

WORLDWIDE PUBLIC EQUITY HOLDINGS BY INVESTOR TYPE
(END 2024, % TOTAL MARKET CAP)



SOURCE OECD

Other researchers point to evidence suggesting the presence of government shareholders can bring unintended consequences. In a 2019 paper in the *Journal of Corporate Finance*, Kateryna Holland, an assistant professor at the University of New Mexico, examined the performance of firms with government equity investments made either directly by departments or at a remove, via sovereign funds or state-owned financial institutions.

"Prior literature has shown that government ownership has been bad for firms," she says. Compared to other institutional investors, sovereign wealth funds tend to be passive investors. "They're not monitoring, and they're not active in the governance of the company. It's actually been shown that even passive roles have negative influence on firm performance," she adds.

Li, however, takes a pragmatic view. "Having the government take direct shares in business has both advantages and disadvantages," she says. The shareholder relationship confers benefits like access to capital, customers, strategic information and even legitimacy. However, U.S. firms have traditionally tried to avoid having government acquire shares in their companies because it comes with lots of obligations. "The government may become board members. They may directly request firms to do certain things for national security reasons, maybe at the expense of the profitability of the company," Li says. "That's the balance they have to try to maintain."

SFU's Yifan Wei, an assistant professor of strategy at the Beedie School, adds that much depends on the investment's desired outcomes. When governments invest in venture capital funds or early-stage tech firms, the results can be very effective, he says. But with more mature sectors, like critical minerals or rare-earths processing, Canadian- or U.S.-government shareholders may experience disappointing results because Chinese rivals, including those with state backing, enjoy stark advantages when it comes to lower environmental standards and labour costs.

Then there's the finger-on-the-scale problem. Holland cites an abundance of research showing that governments tend to provide more corporate loans or buy shares in election years "to encourage the electorate to vote for the incumbent."

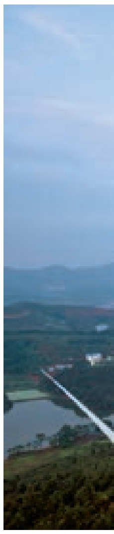
In Brazil, according to a 2012 study by law professor Mariana Pargendler, the national government during a 1990s privatization campaign watered down shareholder protection laws to attract investment from well-connected families looking to buy state-owned equities. The result: a US$64.2-billion windfall for the Brazilian state in 1997 and 1998, a temporary exodus of small investors and a legacy of dodgy corporate governance regulation. It all served the government's financial interests in 2010, when Brazil went public with Petrobras, a giant state-owned oil company that raised US$67 billion. The government stake has only grown since then, which, as Pargendler concluded, shows "that the state's role as a shareholder, and its interest in an inefficiently weak corporate governance regime, are not going away in the near future."

It's not yet clear whether the U.S. and Canada are discarding those neoliberal outlooks to pursue more aggressive plans to buy equities in strategically vital sectors, or if acquisitions in firms like Intel, Foran and Trilogy are mainly about sending signals. As well, U.S. equity markets are so vast that even a massive government stock-buying campaign will scarcely make a dent. We won't do any better, needless to add.

Li says that governments getting into the shareholder business would be wise to measure success the old-fashioned way: "A good indicator for this will be to see how shareholders would react." For the record, Intel's shares went up after Washington bought in. After an initial dip following the CGF's share purchase, so, too, did Foran's. **/John Lorinc**

Above: SANY, a global heavy-equipment maker based in Hunan, China, makes 650 three-blade wind-turbine sets a year, including this 107-metre monster. The blades are molded from fibreglass and epoxy resin in a process that takes four days.

Below: They're transported in a truck whose rotating cargo bed can tilt a blade up by 45° to get through towns and narrow roads. Their destination: an 88-megawatt wind farm near Martianzhen, Hunan.



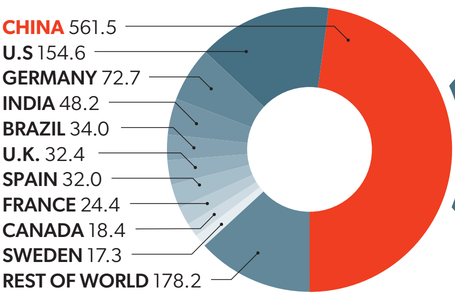
BUSINESS INTELLIGENCE

WINDS OF CHANGE

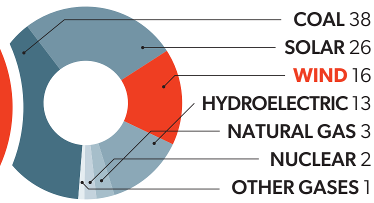
Among the many falsehoods buried in Donald Trump's World Economic Forum speech, this was was a doozy: "China makes almost all of the windmills, and yet I haven't been able to find any wind farms in China," he rambled. "They make them. They sell them for a fortune. They sell them to the stupid people that buy them, but they don't use them themselves."

He's right that China is a massive exporter of wind turbines: 10 of the top 15 suppliers are Chinese (as of 2024), according to the Global Wind Energy Council. But some 94% of installed capacity was still in its home market. According to America's own Energy Information Administration, 16% of China's electric power generation comes from wind, and it added 76 gigawatts of wind energy in 2024 alone. That's roughly enough to power 66.5 million U.S. households for a year.

WIND POWER CAPACITY BY COUNTRY
Gigawatts

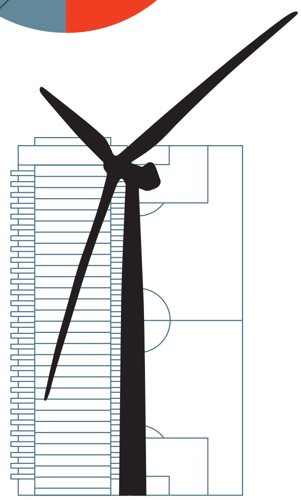


CHINA'S INSTALLED GENERATION CAPACITY, 2024
Percentage



PHOTOGRAPHS GEORGE STEINMETZ

Left: Transporting and installing the blades costs more than building them, and it's a process fraught with danger. The blades are placed horizontally into a specialized cradle, then hoisted to the top of the tower, where they're bolted on. Far left: Workers sit in the turbine's hub—close to 240 metres up—awaiting a blade.



107 METRES

= roughly the height of a 30-storey building

= length of a professional soccer pitch

2,900
TERAWATT-HOURS
Global wind energy generation

Wind capacity China added in 2024 alone
76
GIGAWATTS

HOOVER DAM
2
GIGAWATTS
total capacity

7-WORD BOOK REVIEW

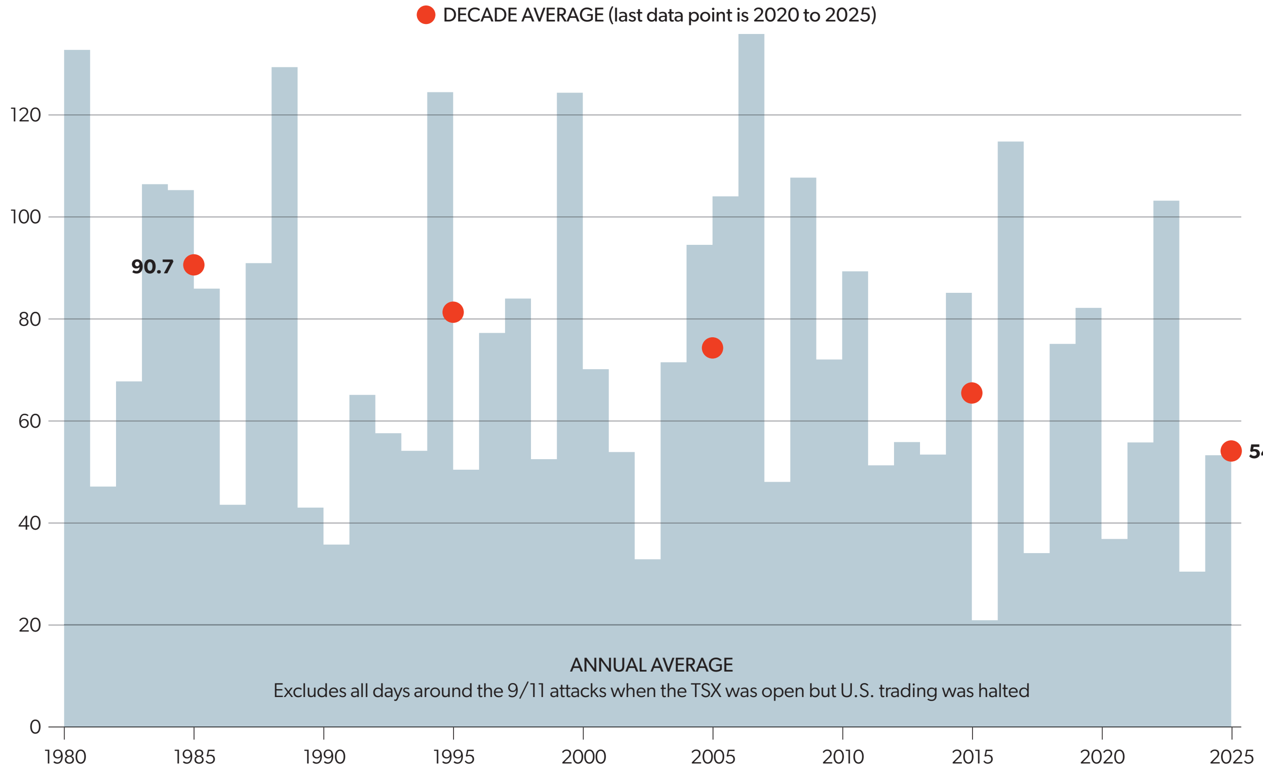
The Fairfax Way: Inside Prem Watsa's Secret to Lasting Success By David Thomas

Rise, stall, rise again of Canada's Buffett(ish)

03.26

TSX ACTIVITY HAS GROWN QUIETER WHEN U.S. MARKETS ARE CLOSED

Ratio of daily change in the TSX when U.S. markets are closed versus open
Lower = more muted movements when U.S. markets are closed



DECODER

THEY SNOOZE, WE LOSE

■ Here's a new stock market adage for investors to keep in mind: When America closes, Canada dozes.

On the occasional days of the year when U.S. markets shut up shop for holidays while traders in Canada keep working—think American Thanksgiving, Memorial Day and Martin Luther King Jr. Day—the Toronto Stock Exchange can feel listless. That's because, increasingly, it is.

Going back to the 1980s, there's a long-term trend toward more subdued movements in the S&P/TSX Composite Index when the S&P 500 is on a break, according to our own analysis of the trading data. In the decade of the '80s, the typical daily move in the TSX benchmark index when U.S. markets were closed was nearly 91% of what it was when the U.S. was open. That fell to 65.5% in the 2010s. In the first half of this decade, it has dropped to 54.1%.

The temporary TSX hibernation extends to volumes, too. Between 2014 and 2024, trading volumes in Canada were 58% lower on U.S. Thanksgiving (which falls on a Thursday) versus the monthly average, according to BMO Capital Markets.

This all fits with research showing a general trend of stock prices moving in increased synchronicity in recent decades, particularly in international markets, says Bing Han, a professor of finance at the University of Toronto's Rotman School of Management, pointing to the rise of globalization and financial integration. "Some studies argue that the U.S. market is a more important driver of other countries' stock returns than local factors," he says. "When the U.S. market is closed, there's little news flow and no price discovery, so Canadian markets can drift aimlessly during such periods."

Likewise, portfolio managers have boosted their U.S. exposure over time. "Canadian money managers are now much more heavily invested in the U.S. than they used to be, so when the U.S. markets are closed, a lot of money managers are also using it as a vacation day," says Alexander MacDonald, a portfolio manager with Focus Wealth Management.

There's one upside to all this: Since the '80s, on days when U.S. exchanges were closed, the TSX ended in the green more than 72% of the time, compared to 54% when the S&P 500 was active—albeit with a modest average gain of 0.25%. **/Jason Kirby**

SOURCE S&P CAPITAL IQ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FOR YOUR CONSIDERATION

DEXTERRA GROUP INC.
MISSISSAUGA

REVENUE (TTM SEPT. 2025)	**$1 BILLION**
PROFIT (TTM SEPT. 2025)	**$40.3 MILLION**
THREE-YEAR SHARE PRICE GAIN	**114%**
P/E RATIO (TRAILING)	**19.9**

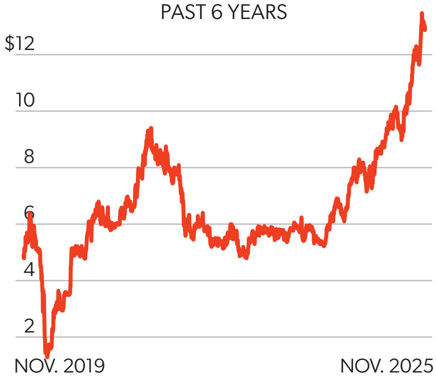
It's been easy to get overwhelmed by economic upheavals in recent years. Amid all that turmoil, can investors find a steady growth story? Preferably a company with a relatively small stock market capitalization of less than $1 billion or so?

Facilities management and remote work force accommodations may not sound as sexy as, say, artificial intelligence, but the future for Dexterra's two basic businesses appears solid. And the Mississauga-based company has a strategic plan that looks very promising indeed.

Dexterra went through a major transition in 2020, when Toronto-based property and casualty insurance giant Fairfax Financial Holdings, founded by renowned value investor Prem Watsa, put together Dexterra (which traces its roots back as far as 1945) and Horizon North Logistics (which dates back to 1981). Fairfax retains a 51% holding.

For Dexterra CEO Mark Becker, 58, who joined Horizon North in 2018 and was promoted to the top job at Dexterra in 2023, the merger was almost literally a dream come true. An engineer by training, he had extensive experience with chemical giant Dow and in the Alberta oil patch with Suncor. Unfailingly modest, he describes Dexterra as "8,999 employees, plus me."

DEXTERRA GROUP INC.
PAST 6 YEARS



Integrated facilities management for corporate and government clients means taking care of office buildings, light industrial and commercial facilities, military bases and more—including janitorial services, looking after grounds, heating and cooling systems, and so on. "The broader and more technically driven services we can do for clients, the more value we can add for them," Becker says.

As for remote work force accommodations, three big sectors for that are mining (which Dexterra supports Canada-wide), oil and gas development in Western Canada and infrastructure such as high-voltage power lines. There's also the prospect of new nation-building projects

The 2020 deal and subsequent growth and acquisitions have allowed Dexterra to expand into the United States, which now accounts for about 10% of revenue and more in future. Much of the facilities management sector there is fragmented, Becker says, and two acquisitions—CMI Management LLC in 2024 and 40% of Pleasant Valley Corp. last year—have given Dexterra a strong platform.

Even so, Becker is proud of Dexterra's financial discipline. Its ratio of debt to EBITDA (earnings before interest, taxes, depreciation and amortization) is still less than two, even though revenue more than doubled from 2020 to 2024.

"We want to focus on onboarding and capturing full value from recent acquisitions," he says. **/John Daly**

5 things we learned from
LES STELMACH

The year started quite literally with a bang when the United States abducted Venezuelan President Nicolás Maduro. So it's a good time to check in with Les Stelmach, a well-seasoned oil and gas investor based in Calgary. He joined the board of Alberta's Management Employees Pension Plan in 2023, but says he expresses his own views, not those of MEPP. **/J.D.**

1. Of course politics affect the energy sector. But Stelmach, who spent two decades with what was Franklin Bissett Investment Management (now ClearBridge Investments), says one new thing is "this chaotic and destructive force known as Donald Trump." In some ways, he says, Trump wants to "suck and blow at the same time"—support oil and gas producers, but lower U.S. gas prices to fight inflation.

2. If you ignore recent upheavals, the industry has done well. The S&P/TSX Equal Weight Oil & Gas Index has climbed from about 150 in 2021 to roughly 380 lately. But Stelmach says oil prices have been "kind of meh"—West Texas Intermediate crude was about US$65 then and still is, and Canadian natural gas prices are tepid. But producers are now more financially disciplined.

3. Does Canada now have enough pipelines? The Trans Mountain Expansion Project to the B.C. coast opened in 2024, roughly tripling the amount of Alberta crude loaded onto tankers. But Stelmach says that "if you assume some growth, we need more capacity"—preferably to ship more oil and gas across B.C. for export or more pipelines headed east. Canada needs to diversify its customer base.

4. It's early days, but Stelmach is impressed with Prime Minister Mark Carney. In 2025, Carney and Alberta Premier Danielle Smith signed a memorandum of understanding on energy. It helps the industry, recognizes Indigenous rights and keeps a carbon price in place, which will help producers reduce emissions. "You need a carbon price to make it viable," Stelmach says.

5. Oil and gas are global businesses, and that's how companies and investors should look at them. Stelmach's sense is that, say, a decade ago, "ESG was at the forefront as money managers piled in and clients asked for it." But now they've pulled back. A medium has to be found. Improved environmental practices help economic efficiency, he says. "Don't let perfection be the enemy of the good."

PHOTOGRAPH GETTY IMAGES

Innovation below the surface could reinvent Canada's naval presence, from capability to sustainment

As part of delivering the KSS-III, Hanwha Ocean has committed to investing in Canada's sovereign maintenance and supply chain infrastructure.

National defence requirements don't stand still, and neither can the platforms serving them. In environments defined by rapid technological change and long service lives, innovation is about adaptability plus capability.

That means delivering superior platforms today, that can meet tomorrow's needs without disrupting operations and sustainment or increasing risk. Adaptability depends on design, but also on where and how a fleet is maintained.

That's how Hanwha Ocean views next-generation submarine programs. The South Korean company, among the world's largest integrated defence and maritime engineering firms, aims to prepare a country's navy and sovereign sustainment infrastructure for what's next.

"For us, innovation means improving capability in ways that excel in real-world conditions," says Glenn Copeland, managing director and CEO of Hanwha Defence Canada. "It's about delivering technology that enhances performance and will continue to do so for decades."

Hanwha Ocean is one of two contenders for the Canadian Patrol Submarine Project, a multi-billion-dollar program to replace the Royal Canadian Navy's aging Victoria Class fleet. Its proposed design is the KSS-III submarine, in service with the Republic of Korea (ROK) Navy.

The company takes lessons from operations, engineering data and changing security environments. It turns those into improvements that make a submarine more effective, efficient or easier to sustain.

Maximizing value over decades

When reviewing long-term renewal for maritime defence, reducing risk and maximizing value from every dollar is paramount. That includes how platforms are sustained, modernized and supported domestically, contributing to Canada's economy.

Modern submarine fleets are expected to encompass sophisticated vessels with low detectability, able to onboard future technologies. Hanwha Ocean's approach centres on designing platforms that can evolve without introducing operational risk.

"R&D is central to how we build and upgrade our platforms," says Mr. Copeland. "Because Hanwha Ocean is part of a broader technology and manufacturing group, we draw on advances in propulsion, energy systems, sensors, software integration and materials science."

A domestic industrial base also manages risk over long service lives. Involving Canadian companies in engineering, sustainment and modernization supports incremental upgrades without disrupting operations.

A focus on domestic capacity

Visiting Hanwha Ocean's shipyard, Ontario's Minister of Economic Development, Job Creation and Trade emphasized incorporating Canadian participation in major defence programs. In Ontario, that will include industrial collaboration in areas like shipyard capability and material supply, with Algoma Steel, Telesat, MDA Space, Cohere and PV Labs.

Internal collaborations allow these integrations to gain traction faster through modelling, simulation and at-sea testing.

"Continuous R&D is also how we incorporate incremental upgrades over the life of a class rather than waiting for a new design cycle," says Mr. Copeland.

Hanwha Ocean has committed to sustainment facilities on the Atlantic and Pacific coasts. Canadian workers will conduct incremental upgrades, in-service support and maintenance.

With the KSS-III operating with the ROK Navy, Hanwha Ocean benefits from data like acoustic and sensor performance, endurance and crew feedback. "That operational loop ensures that improvements are grounded in actual conditions, not assumptions."

Research collaboration is ongoing

As part of the innovation ecosystem, Hanwha Ocean works with universities, institutes and specialized suppliers that can move quickly from research into production.

"We focus on research partnerships that bring different expertise to the table," says Mr. Copeland. "In Canada, we're collaborating with firms on digital engineering tools, software integration and training technologies, which feed directly into future improvements."

Finding a balance between advanced technology and proven performance is a recurring challenge, which Hanwha Ocean addresses through what he calls "a disciplined cycle of spiral development".

"Technologies are introduced only after they've been demonstrated in realistic scenarios. We test both virtually and physically before integrating anything into a production submarine."

Designed for dependability

New systems also must be compatible with an operating fleet. Innovation has to make the platform "more dependable, not experimental," Mr. Copeland adds. One example is Hanwha Ocean's integration of lithium-ion batteries and Air Independent Propulsion systems, which extend submerged endurance for conventional submarines. Digital engineering – using 3D design environments, digital mock-ups and simulation-based testing – also allows Hanwha Ocean to validate changes.

By applying digital engineering throughout the production cycle, Hanwha Ocean aims to reduce rework and shorten integration timelines. Technologies are stress-tested before reaching production platforms. This applies to operational requirements too.

"Modern submarine operations require greater range, persistence, sensing capability and data integration, and platforms that can be upgraded without major redesign," says Mr. Copeland.

"We design for long endurance and low acoustic signatures, but also focus on modular systems, scalable power availability and open architecture software. That ensures new sensors, communications tools or mission systems can be integrated as they mature."

Hanwha Ocean sees opportunities in energy storage propulsion, sensing and digital integration. As technology and missions evolve, long-term naval renewal demands continual innovation.

"Submarines will operate as part of a connected ecosystem, and platforms will need the adaptability – and domestic capacity – to integrate with emerging capabilities."

SMART MONEY

DAVID SZYBUNKA

SENIOR PORTFOLIO MANAGER AND MANAGING DIRECTOR OF THE ENERGY TEAM, CANOE FINANCIAL LP, CALGARY

Growing up on a farm north of Edmonton, David Szybunka drove a tractor to plant crops and feed the cattle as part of his chores. That life also gave him insight that would later be useful as an energy fund manager. He got to see the peaks and troughs in farming, a commodity business just like the oil and gas industry. Armed with a business degree, he was hired during the oil bull market in 2007 as an associate by Peters & Co., a Calgary energy investment boutique. He joined Canoe Financial as an analyst in 2011 and now oversees $2.4 billion in energy funds. That includes Canoe Energy Portfolio Class, which has outpaced the S&P/TSX Capped Energy Total Return Index since 2020, when he began managing the fund. We asked Szybunka how oil and gas stocks can rally amid weak commodity prices and why he likes Tourmaline Energy.

How do you beat your index given volatile oil and gas prices?
People often translate volatile to risky, but there's less risk in energy companies now. They have less debt. They spend 40% to 60% of their cash flow, with the rest going to dividends or share buybacks. Suncor and Canadian Natural Resources make up half of the index, which is 80% in oil stocks. But we also invest in alternative energy, infrastructure, LNG, refining and related transportation companies. It helps to have boots on the ground to get the day-to-day narrative from friends in the business. We'll also look at foreign energy stocks. In 2024, we owned some U.S. natural gas and power companies.

How did your fund outperform last year, when commodity prices were falling?
Weaker energy prices don't necessarily hurt their stocks. Our fund benefited from owning mostly intermediate firms and merger-and-acquisition activity, too. Last fall, MEG Energy was taken out by Cenovus. And U.S. energy producer Ovintiv did a deal to acquire NuVista Energy. The thinking now is, who's next? Private equity and U.S. energy players are now sniffing in our backyard. That's why shares of Athabasca Oil, an oil sands producer, and Tamarack Valley Energy and Headwater Exploration, which focus on Alberta's highly profitable Clearwater heavy oil play, did well last year. Scarcity of quality resources in the Western Canadian Sedimentary Basin is a multiyear theme.

The U.S. vowed to rebuild Venezuela's heavy oil industry after abducting its president, Nicolás Maduro, in January. Is that oil a threat to Canadian energy firms?
The U.S. produces and exports light shale oil, but many of its refineries are built for heavier grades, which come from countries like Venezuela and Canada. It's a smart move for the U.S. to take over Venezuela's heavy oil industry, but the market is wrong in seeing it drastically hurting Canadian energy companies. The U.S. needs oil from both countries. I expect another oil pipeline will eventually be built to the U.S. from Canada. At the end of the day, the U.S. wants more oil for energy security.

Shares of Tourmaline struggled in 2025, but it's your biggest holding. Why?
Most investors want dividends and share buybacks from energy stocks instead of growth. But Tourmaline's smart management is focused on buying assets at attractive prices, particularly in the Montney gas play in B.C. One day, it could sell that resource to one or more energy players at a much higher price because the world needs more gas. That's part of the scarcity-of-resources theme, which the market isn't focused on enough. Tourmaline has never been more vulnerable to having a bid as today.

Where else do you see opportunities now?
CES Energy Solutions, a provider of chemicals for oil and gas drilling, is a capital-light business and is gaining market share. It has 25% of the U.S. market, up from 15% five years ago. It benefits from energy companies drilling longer and more horizontal wells, which require more chemicals. We also like PraireSky Royalty, which has exposure to royalties from Spur Petroleum in the Clearwater oil play, and Topaz Energy, a royalty and infrastructure company spun out of Tourmaline. **/Shirley Won**

CANOE ENERGY PORTFOLIO CLASS (F SERIES)
ANNUALIZED % TOTAL RETURN

S&P/TSX CAPPED ENERGY TOTAL RETURN INDEX

SOURCE MORNINGSTAR DIRECT; RETURNS TO JAN. 31, 2026

PHOTOGRAPH COLIN WAY

HOW A TRIO OF FORMER FIGHTER PILOTS BUILT ONE OF CANADA'S MOST SUCCESSFUL DEFENCE COMPANIES HELPING TRAIN FOREIGN MILITARIES—AND HOW THEY'RE NAVIGATING AN INCREASINGLY DANGEROUS WORLD

BY JASON KIRBY

PHOTOGRAPHS BY EMILE DESROCHES-L

Top Aces co-founders Paul Bouchard (at right), now CEO, and Didier Toussaint

ON ANY GIVEN DAY,

German fighter pilot Elmar "Elmo" Besold might find himself tearing through the skies above the North Sea at 650 kilometres an hour, dogfighting with a Eurofighter Typhoon, or skimming the waves in his A-4 Skyhawk, bearing down on a German navy frigate to test its defences. Or he might be called on to drop computer-targeted practice bombs in a mock air strike to help train up joint terminal attack controllers (JTACs)—like air traffic controllers, but for war zones—before they face the real thing.

Not today, though. It's early January, and the worst snowstorm in decades is about to slam into the Nordholz Naval Base in northwestern Germany. With all flights grounded, we're in a well-lit hangar where 10 A-4s and pointy-nosed Dornier Alpha Jets sit in two rows. I've squeezed my very-much-not-a-fighter-pilot body into a narrow A-4 cockpit while Besold details the work he does with the German military. Not as an air force pilot—he retired from the Luftwaffe after 20 years, having reached the pinnacle of air-combat expertise: fighter weapons instructor.

These days, Besold collects his paycheque from Top Aces Inc., a private company based in Montreal—which is why there's a Canadian flag on each aircraft's tail. And even his less adrenaline-pumping missions say a lot about how successful Top Aces has been at exporting its defence expertise around the world and building trust with foreign militaries.

In late December, an officer from the Wittmund Air Base, an hour and a half's drive west (or about six minutes at Mach 0.5), contacted Besold with a problem: New emergency cables designed to stop jets when their brakes fail had been installed on the runway and needed testing. But doing so with one of

the base's advanced Eurofighters would mean taking the jet out of commission.

Besold had a solution. Days later, he piloted a Top Aces A-4—which were built with tailhooks for landing on aircraft carriers—across the cable at around 140 clicks an hour, triggering the emergency system and jolting the jet to a halt. "We can give the German military exactly what they want, when they need it," says Besold. "I take a lot of pride in that."

If Prime Minister Mark Carney wants to tighten Canada's defence-industrial ties with Europe, there's arguably no better place to see that opportunity in action than this remote corner of Germany, one of Top Aces' two bases in the country—which, it should be noted, is considerably closer to the war in Ukraine than it is to *la belle province*.

Since a trio of former Canadian fighter pilots

launched Top Aces 25 years ago, the company has largely flown below the radar, both figuratively and literally—at least outside military circles. Yet with 70 active aircraft and another 70 or so in reserve to feed its expansion plans, it's provided contracted air services to the Canadian Armed Forces (CAF) and other militaries, including in Australia and half a dozen European countries. In the United States, Top Aces operates the world's only private fleet of F-16 jets out of its own airbase in Mesa, Arizona.

Top Aces' 80-plus pilots specialize in simulating combat training in the air. Sometimes they act as friendly forces. More often, they play the bad guys in what are known as adversary air or "Red Air missions. And in the extremely niche sector in which Top Aces operates, it's widely recognized as the market leader, making it one of Canada's most remarkable export success stories.

William Mitchell flew missions in Iraq in 2015. Now he's based at Saguenay-Bagotville Airport, also home to two of Canada's four tactical fighter squadrons

This past January, Top Aces announced it had signed a new 10-year agreement to train Germany's air force, army and navy using aircraft upgraded in-house with cutting-edge radar, high-tech sensors and the company's own proprietary mission systems. The value of the contract: $680 million. Here at home, its current contract with the Canadian military, signed in 2017 with an option to extend to 2031, is worth $750 million.

It's *The Right Stuff* meets the much less thrilling world of balance sheets and income statements.

"We're Canadian, so we're humble, but we're also proud," says Paul Bouchard, Top Aces' co-founder and CEO, a 12-year veteran of the military who retired in the late 1990s. "We're taking Canadian expertise and exporting it to Canada's closest allies."

COST TO TRAIN ONE PILOT (IN 2023 US$)

F-16 $6.8 BILLION | **F-35** $12.3 BILLION

This is a critical moment for the company and its 700 employees. The world has grown considerably more dangerous in recent years, with war on Western Europe's doorstep, rising tensions with China, and the U.S. under Donald Trump testing decades-old alliances even as it pushes NATO countries to spend more on defence. Canada is set to boost spending from around 1% of GDP to 5% by 2035, while Germany plans to double its defence budget within five years.

At the same time, NATO countries are taking possession of their first U.S.-built F-35s, fifth-generation stealth fighters that will both drive demand for training in the air and push the limits of Top Aces' older (albeit modernized) fleet.

Top Aces is effectively in an arms race of its own, navigating regulatory turbulence, gruelling timelines and steep technological challenges as it rushes to replicate the latest threats its customers could face in battle—and doing it with private equity backing and revolving credit facilities instead of vast government budgets.

In short, it's make-or-break time for Top Aces. Good thing fighter pilots never lack for confidence.

"We've all been in their position before," says Mitchell after going up against CF-18s on a training run

IT'S A FRIGID

-8°C in December, and a pair of Top Aces Alpha Jets are powering up on the tarmac at Saguenay-Bagotville Airport. The site includes both Canadian Forces Base Bagotville—home to two of Canada's four tactical fighter squadrons—and the civilian airport. It's not unusual for a mission-bound Top Aces jet to taxi past a jetliner en route to the runway.

Veteran pilots Kareen Mamo and her husband, William Mitchell, don flight helmets emblazoned with their call signs: Billy for him, Handles for her. Outside, a small ground crew inspects every inch of the jets as the screaming from their twin turbo-fan engines pierce the air.

Shortly after the Alphas lift off, eight CF-18s—Canada's primary front-line fighter aircraft—roar into the skies behind them, with four serving on the friendly "Blue Air" side, and four joining Top Aces on the Red Air side under Mitchell's command.

In restricted airspace north of Bagotville, the Red Air squad makes several pushes at speeds topping

SOURCE RAND CORP.

A Top Aces crew does routine maintenance on an Alpha Jet at Bagotville Airport

900 kilometres an hour, testing the tactical intercept skills of the Blue Air crew by replicating threats ranging from a cruise missile to enemy aircraft. The sortie unfolds out of sight, but I watch the contorted flight paths of the Top Aces jets on a common flight-tracking app; the CF-18s remain invisible to me.

After 1.5 hours in the sky, plus several more on the ground in briefing and debriefing sessions, safety reviews and other prep work, it's over. "I almost made it through, but they got me," says Mamo afterward. Which, after all, is the point: Red Air isn't necessarily there to win. As Mitchell puts it, "We're testing their tactics and flow, not to make them make mistakes, but to capitalize when they do. We've all been in their position before."

A similar routine plays out multiple times a day at Top Aces bases and deployment areas across North America and Europe. In 2025, its pilots and aircraft clocked 14,500 flying hours, and that number is expected to grow by at least 10% this year, to 16,000. That's more flight time than the entire air forces of some smaller NATO countries.

Decades ago, militaries handled most of their airborne training needs in-house. Canada had fleets of aircraft it could use as targets for such missions and a bounty of pilots to fly them. But then the CAF streamlined to focus on its CF-18s, and the end of the Cold War brought cuts to both budgets and pilot ranks. In the early 2000s, the military turned to the private sector to fill some of the training gap. So have most other Western countries.

A big reason Top Aces has been so successful is because of whom it puts in its cockpits. Most military pilots retire in their early 40s, and many fall into second careers flying for commercial airlines. But Top Aces has specialized in attracting retired elite fighter pilots who still relish the high-speed thrill of the stick but want a more normal schedule.

Mamo and Mitchell are a case in point. They have two kids, ages 13 and 16, and a house in the Saguenay area. "When we leave here at the end of the day, we're not wearing flight suits. We're mom and dad, husband and wife. We keep it separate," says Mitchell. "Our kids are the same. To them, the norm is that mom and dad go fly fighter jets, then come home—and somehow supper is on the table."

For military customers, it means they continue to benefit from the money and training they invested in their people, while the pilots get to keep participating in military efforts. "We leave the service, but we're still working alongside it," says Mitchell. "We're still able to contribute toward the national defence and security of Canada."

All of Top Aces' pilots are either graduates of Top Gun school—known more formally as the fighter weapons instructor course—or seasoned aggressor pilots with experience flying Red Air missions for the military. "The military gets to benefit from pilots who would otherwise go on to become commercial pilots, and get another 10 or 15 more years from their initial investment," says Bouchard, 57. The premise is baked into the company's motto: "Experience matters."

It also means pilots and their customers have a shared understanding of what's involved in training missions. Col. Sebastian Fiedler, commander of 71 Tactical Air Wing in Germany, says the benefits go beyond expertise. "Some of the pilots at Top Aces used to fly with us and other units of the Luftwaffe. Obviously, tasking contracted Red Air assets works differently from how you'd co-ordinate military assets, but in the end, working with the company often feels like working with one of your own units."

Col. Phillip Rennison, the commander of 3 Wing at Bagotville, who still goes up against Top Aces in training missions, agrees. "The one thing they've always ensured," he says, "is that they have experienced fighter pilots that speak the same language."

THAT FIGHTER-JOCK cred springs from Top Aces' trio of founders: Bouchard and fellow Top Gun graduates Didier Toussaint and Dave Jennings.

All three retired between 1998 and 2000, and took jobs in the private sector: Bouchard at Bombardier, Toussaint and Jennings at Air Canada. None of them were happy working for someone else, though, and in 2000, they launched Top Aces to advise defence contractors then working on a CF-18 upgrade.

In 2002, amid its outsourcing push, the CAF put out a request for proposals to run its Contracted Airborne Training Services (CATS). As fighter pilots, the Top Aces crew had plenty of ego and a knack for remaining calm under pressure. What they didn't have were planes or the financing to purchase them, nor any real sense of the bureaucracy they'd face. Nonetheless, they put a $50,000 non-refundable deposit on some Alpha Jets languishing in the U.S. and spent another $50,000 hiring an expert in writing government bids.

It paid off. In January 2005, the office fax machine spat out a missive saying Top Aces had won the $94-million contract. They had just six months to get up and running, secure financing, buy and upgrade planes, and hire and train pilots and maintenance staff. "We didn't fully grasp the complexity of what we were taking on," says Bouchard. "Maybe that's better."

They mortgaged their homes and borrowed heavily to buy eight Alphas for around $10 million. Their first paid flight-hour was in Arizona that August, helping train Canadian Army JTACs on how to call in air strikes ahead of a deployment to Afghanistan.

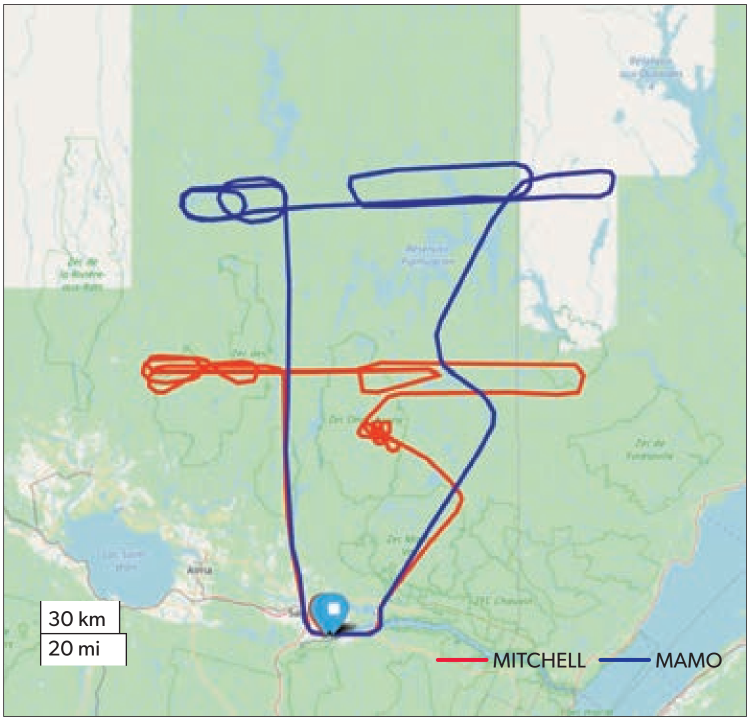
The young company benefited from a surprisingly agile bureaucracy at Transport Canada and the Department of National Defence (DND). From the start, the two departments conceived of a shared regulatory structure that classified Top Aces' jets as civilian aircraft but gave oversight to DND for specific areas like ejection seats and explosive cartridges. (In the U.S., Bouchard says, contracted air services fall entirely under military purview.) That Transport Canada certification and continuing oversight has been Top Aces' international calling card, an assurance to other countries that even though the jets are weapons of war, they're maintained to civilian aircraft standards.

In 2007, Top Aces was acquired by Discovery Air, a publicly traded company that provided air services to the mining industry. But a downturn in the mining sector and heavy debt tipped the company into bankruptcy 11 years later. Clairvest Group, a private equity firm that provided early loans to Top Aces, supported it through Discovery's restructuring and won control when Clairvest's debt was converted to equity. (Jennings, who'd left Top Aces to run Discovery, quit in 2012 and now flies for Air Canada.)

Ken Rotman, Clairvest's CEO and chair of the Top Aces board, is quick to admit the company operates in a challenging sector, but he sees two forces driving it forward. First, it's expensive for militaries to maintain an entire fleet dedicated to training, especially as the F-35 becomes more prevalent. And importantly, says Rotman, "people have woken up to the fact that the world may not be a friendly place. Countries have realized they need to increase their defence budgets, and that's providing a good amount of tailwind to Top Aces."

FLIGHT PATTERN

TRACKING A TOP ACES MISSION OVER BAGOTVILLE VIA THE FLIGHT-TRACKING APP FLIGHTAWARE—WILLIAM MITCHELL IN RED, HIS WIFE, KAREEN MAMO, IN BLUE. THE MILITARY'S CF-18S REMAIN INVISIBLE



As a private outfit, the company won't divulge specific financial figures. But Rotman says profitability has grown by 500% in a short period and that near-term prospective contracts will push it up by another 150% within the next two years.

Last year, Top Aces issued its first high-yield debt, raising $200 million from senior unsecured notes. Ratings agency Fitch assigned the debt a B rating ("highly speculative"), noting in a March 2025 report that while the company is benefiting from increased defence spending, its small scale poses risks. Fitch pegged the company's "going concern EBITDA"—an estimate of earnings after a hypothetical reorganization or bankruptcy—at $50 million and assumed margins of 30%-plus, which would imply annual revenue of around $170 million. Rotman says both its revenue and profit are "significantly above" Fitch's trailing audited numbers.

Either way, Top Aces—owned by a combination of Clairvest, the Caisse de dépôt et placement du Québec, other institutional investors and management—seems primed to go public. Both Bouchard and Rotman say that's possible, but no timeline has been set.

As for whether Rotman gets a buzz from being part owner of a fleet of fighter jets, "the cool factor wears off pretty quick," he says, pointing to the high capital costs, and intense regulatory and flight expertise needed to keep Top Aces in the air and winning contracts. On the plus side, those present steep barriers to entry for potential rivals. "A lot of people say, 'Well, I can go buy some old aircraft and bring in some pilots to fly them.' Good luck with that," says Rotman. "Call us after you burn through the second $100 million."

Mitchell and his wife, Kareen Mamo (call sign Handles), get to fly fighters but still go home for dinner with their kids

INSIDE A HANGAR

in Bagotville, an Alpha Jet purchased from the Luftwaffe is undergoing major surgery to bring it back to life. A large bin sits nearby, filled with spaghetti-like entrails ripped from the aircraft's bowels. A piece of paper taped to the side of the fuselage reads: "Last flown Jan. 29, 1993."

If there's a secret to Top Aces' success, says Bouchard, this is it: the company's ability to source, maintain and upgrade older planes. Or as he puts it: "obsolescence management."

Its planes are indeed old. The A-4 Skyhawk was developed in the 1950s and manufactured through the '70s, but its subsonic manoeuvrability makes it an ideal trainer, since it replicates the threat posed by smaller foreign fighters. (It was the fighter flown by instructor pilots Viper and Jester in the original *Top Gun.*) Likewise, the Alpha Jet was built between the early 1970s and early 1990s. Even the company's 30 F-16s, which it bought from the Israeli military in 2021, were built in 1979. One jet, now painted in grey camouflage to mimic a Russian SU-57 stealth fighter, still bears the kill marking from when it shot down a Syrian MiG-23 in 1981.

But it's what Top Aces does with the jets once it has them that sets it apart. "We buy them, bring them back to life, get the engines ready. We design and prototype our own cockpits and mission systems in-house, do our own production and all our own modifications, then provide all the life-cycle support for that aircraft," says Bouchard. "Usually that's done by a very large organization, but we're a relatively small aerospace company. It's a real discriminator for us."

None of that is cheap. A used fighter jet costs somewhere in the "single-digit millions," depending on the platform, says Bouchard. But Top Aces spends two to three times that on upgrades.

And its fleet is growing. It recently signed a deal to buy four Alpha Jets from Red Bull's Austria-based aerobatics team. In February, it was set to send a team there to dismantle them, pack them into containers and ship them back to Canada for retrofits.

One of the first things the company did after it got its initial eight Alphas in the mid-2000s was to strip out the seats and replace them with modern ejection seats. "That seems pretty basic, but without that change, perhaps we wouldn't attract the same quality of pilots that joined us," says Toussaint, 57, Top Aces' group president, who flew missions in Kosovo alongside Bouchard in the mid-1990s. Indeed, almost every conversation with executives circles back to safety. The company publishes a running tally of its record on that front: more than 150,000 accident-free flying hours and counting.

Beyond that, it has warehouses filled with fuselages and other spare parts, and a highly evolved supply chain that ensure the company "is in control of our own future," says Christian Corneau, the senior director of maintenance at Top Aces, who spent 23 years in the military as an aerospace engineer. Whenever a squad of CF-18s deploys on a training mission with allies, Top Aces jets, pilots and maintenance crews accompany them. This past November, the Canadian and U.S. air forces carried out a joint training exercise in Florida called Nighthawk Rage. Top Aces sent three Alpha Jets and three A-4s, along with Corneau and a 53-foot trailer crammed with every conceivable part the jets might need.

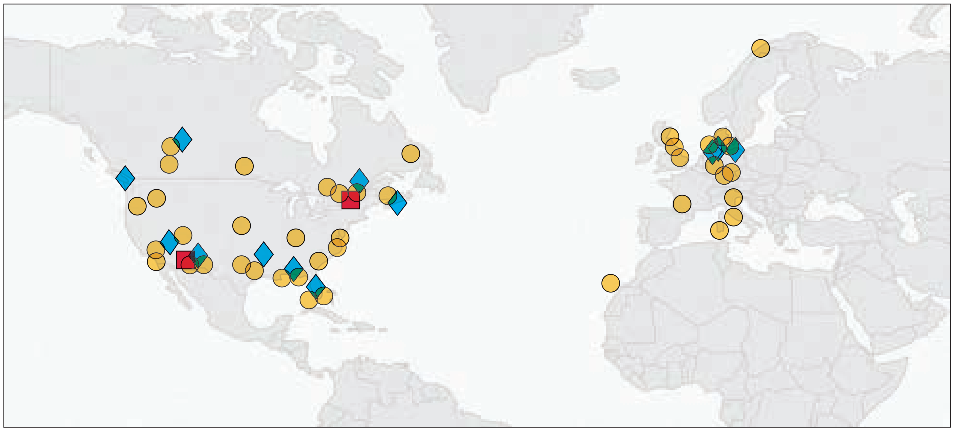
It's a similar scene at Nordholz. One A-4 looks like it's been pulled apart like a magician might separate his assistant's torso from her legs, and a maintenance crew gingerly slides the turbojet engine out for scheduled maintenance.

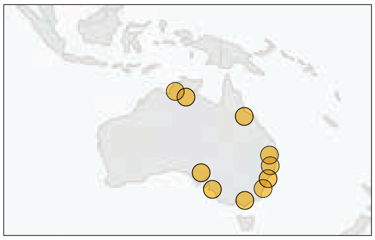
Doing all this in-house, with relatively inexpensive vintage aircraft, keeps Top Aces' operating costs down. A CF-18 can easily cost tens of thousands of dollars an hour to operate and maintain, which Toussaint says is several times higher than the cost of operating an Alpha Jet. And that doesn't account for the wear and tear that would occur if the CF-18s were used for Red Air training against other CF-18s.

As such, Top Aces estimates that since winning its first contract in 2005, it's added 10 years to the life of Canada's already stretched CF-18 fleet and saved the CAF more than $6 billion.

UNDER THE RADAR

TOP ACES HAS FLOWN MISSIONS ALL OVER THE GLOBE





THE CF-18'S YEARS ARE NUMBERED.

Canada still has roughly 80 of the jets left, and they've undergone several rounds of upgrades since the 1980s to keep them flying long past their original planned retirement in the early 2000s.

Later in 2026, Canada is set to take possession of 16 of the F-35 fighter jets it has financially committed to buying from Lockheed Martin. The fate of the remaining 72 on order is up in the air pending a review by the Carney government—and, presumably, the rantings and ravings emanating from the White House.

Still, the advanced fighters are rolling onto allied airfields around the world. And as a stealth craft with long-range missiles designed to kill adversaries before they even spot it, that puts vintage fighters at a serious disadvantage. Which means Top Aces needs to up its tactical and technological game.

The company anticipated the need for more advanced aircraft early on, setting in motion a 10-year process of regulatory hurdles and negotiations with the U.S. government necessary to purchase and import the company's F-16s. For now, the fourth-generation fighters—which have a top speed of Mach 2, or somewhere around 2,500 kilometres an hour, twice as fast as the rest of Top Aces' fleet—are being used exclusively in Red Air missions against U.S. forces and visiting allies, though the company hopes to eventually transfer some of them to Europe. It'll need Washington's approval, however, making it no surprise that Top Aces execs tread lightly on the subject of politics. ("We continue to see excellent collaboration among the armed forces of our allied nations, and will not comment on political issues or hypothetical scenarios," is the reply I got from a Top Aces spokesperson when I asked about Trump's chaotic threats toward Greenland.)

But it's worth noting—and Bouchard does—that its U.S. division is a separate company, headquartered in Mesa, as per U.S. Defense Department requirements. That now seems fortunate, given Trump's unpredictability.

Top Aces also delved heavily into research and development at its Montreal headquarters in 2017, working to design a new open-architecture mission system for its fleet. It allows the jets to better replicate the threats posed by fifth-gen fighters from Russia and China by incorporating sensors and features like infrared search and track systems, advanced radar, data links to other aircraft, and helmet-mounted displays. (The only condition the company had when agreeing to be interviewed for this story was that we not photograph the cockpit showing its proprietary technology.)

"We recognized that the F-35 was going to change how air forces train and that if we want to evolve, we were going to have to get our hands on more advanced aircraft," says Bouchard. The company, he adds, has already clocked hundreds of hours in missions against the advanced jets in North America, Europe and Australia.

Tom Lawson, Canada's former chief of the defence staff, says it's not just luck that Top Aces keeps getting contracts and extensions. "Other teams of Canadians with fighter pilots on board have thrown up pretty good competition, but Top Aces keeps bringing new ideas and better equipment into their bids and leaving the competition in the dust," says the former fighter pilot, who retired from the military in 2015. "They have never suffered from the complacency that established companies often suffer from."

A direct competitor to Top Aces in the contracted airborne services space is Florida-based Draken International, majority owned by private equity giant Blackstone. It's also faced competition from Montreal-based simulation and training giant CAE Inc. When the CATS contract was re-tendered in 2016, the two companies jointly bid on it but lost out to Top Aces.

Lawson sees advanced simulators—which are increasingly being used to train F-35 pilots—as one of the biggest challenges facing Top Aces. "To fly against a very capable Red Air that's at least fourth-gen may, in a few years, not be as exciting as going to the simulator and trying your hand against a Chinese J-35 or having another F-35 flying against you."

Yet military officials still see a long runway for Red Air services. Col. Fiedler, with the Luftwaffe, says simulators are an important part of training,

MAP SOURCE TOP ACES

"We have the IP and know-how to provide the most advanced operational training available," says CEO Paul Bouchard, with no shortage of swagger

but pilots will still need live training to get ready for combat. Col. Rennison at Bagotville adds that simulators can only do so much. "With a simulator, you don't have the sense of potential collision with another aircraft," he says. "There are no G-forces felt when you're doing an intercept."

As for pitting F-35s against F-35s, that's already happening in the U.S. In 2022, the Air Force reactivated its own aggressor squadron at Nellis Air Force Base in Nevada using the advanced fighters. That ended a long-standing Red Air contract Draken had at the base, with one Air Force official, Lt. Gen. David Nahom, testifying before a U.S. Senate committee that Red Air contractors "aren't very effective" at replicating the threats from the most advanced enemy fighters.

While both Bouchard and Toussaint argue the full transition to F-35s for most militaries will still take years—the last CF-18 isn't slated to be replaced until 2032—they're not resting on even the cutting-edge technologies they've put into their jets today.

In 2023, Top Aces teamed up with San Diego–based EpiSci, which develops tactical artificial intelligence tools for the defence and aerospace industries. The collaboration resulted in what Top Aces calls an "AI wingman," a synthetic bandit that can be inserted into live training missions to create a higher volume of threats for Blue Air pilots to contend with. There will be no physical plane in the sky, but for pilots engaged in beyond-visual-range missions, the AI aircraft would appear as a Red Air threat on their cockpit displays. Bouchard says the technology is now entering flight testing.

The AI wingman is a stepping stone to Top Aces' next innovation: unmanned aircraft guided by the same AI engine being developed now. Bouchard has given the company a three-year timeline for the project but wouldn't provide further details. "We recognize that where the threat is going is a combination of manned fighters and combat drones," he says. "So if we're going to be a relevant training partner, we have to field that threat. It's not realistic for a private company to own an F-35 any time soon, but a supersonic stealth drone? That is feasible."

RUSSIA'S INVASION OF UKRAINE—

and the heavy use of drones on both sides—was a wake-up call about both the evolving nature of war and, for Europeans, the threat developing on their doorstep. "Maybe for the U.S. and Canada, it's a faraway war, but the Ukraine war has really changed something here," says Thomas Beringer, a 23-year veteran of the Luftwaffe who's now Top Aces' vice-president in Europe.

As part of its support for Ukraine in 2024, the Canadian government signed a $15-million contract with Top Aces to supply training and other services to the Ukraine air force as it built up its fleet of F-16s. That contract ended last year, but other European countries have since provided funding. "They need to train fighter pilots to move on to the F-16s they're acquiring, and they need to train maintenance personnel," says Bouchard. The company's Mesa-based crew specializes in F-16 support. "As the only commercial operator of F-16s, it puts us in a unique position to support Ukraine."

And while the company landed its first deal with Germany in 2015, it got serious about European expansion at the start of this decade, with the war and the rollout of F-35 fleets pushing those efforts into overdrive. In addition to the re-upped German contract, Top Aces has been running trials in the Netherlands and Denmark, and it expects both nations to seek bids for long-term contracts. It's in the process of bidding on a long-term deal in France. It's also in talks with other European nations that it so far can't identify.

And all this happened even before Canada's federal government pivoted toward closer defence ties with Europe. In December, Canada joined the European Union's Security Action for Europe (SAFE) procurement program, which means it'll be able

Grounded: an Alpha Jet's engine (left) and landing gear (right)

to make joint defence purchases along with EU nations, and Canadian companies will be able to bid on contracts financed by loans from the €150-billion fund. "Canada is very well perceived in Europe," says Beringer, "so it does come to our advantage."

Former chief of defence staff Lawson says the Trump administration's antagonism of its allies will be good for Top Aces, especially considering that its capabilities match or outstrip anything the Americans have going. "I think that's going to work to their advantage, certainly for a few years, because how long does it take to wash the taste of soap out of your mouth?" he says. "The same distaste that we have in our mouths in Canada, everybody you speak to in Europe will say the same thing—especially the Danes."

Back at home, Top Aces has set its sights on a massive project: modernizing and transforming Canada's air combat training infrastructure. That includes the 12,000-square-kilometre Weapons Range in Cold Lake, Alta.—home to Canada's busiest fighter base—which is used for air-to-air combat training, complete with hundreds of ground targets and sensors for monitoring exercises.

The federal government's newly created Defence Investment Agency is in the early stages of planning what the project will look like. A spokesperson for Public Services and Procurement Canada—which will oversee the design of the project and award the contract—says the government was preparing to release a more detailed request for information to industry in early 2026. There's no timeline on exactly when a contract will be announced, but the rewards are potentially immense: DND pegs the estimated cost of the project at between $1 billion and $5 billion.

Top Aces, of course, wants nothing less than to be the prime contractor on the project, assembling a consortium of industry players to design and build the high-tech infrastructure to host large multi-country training exercises. Meanwhile, it would oversee day-to-day operations of the weapons range and plan training missions.

It's a wildly ambitious leap for a relatively small outfit, but so is becoming the world's top private fighter-jet training force. "We've been doing this for close to a decade with Canada's closest allies," says Bouchard. "We have the intellectual property and know-how to provide the most advanced operational training possible. We intend to bring that expertise home to Canada."

In the meantime, the missions continue. Last fall, an unresponsive aircraft that took off from Ohio entered Canadian airspace, headed for Toronto. Two CF-18s quickly positioned themselves along either side of the wayward aircraft, instructing the pilot to identify themselves and change course.

The mystery plane wasn't a mystery, of course. It was a Top Aces Learjet 35A, taking part in a two-day, multicity training exercise co-ordinated by NORAD to prepare pilots with the Canadian, U.S. and Mexican air forces to deal with "illicit flight" events ahead of the World Cup this summer.

The lesson here is that you never know where the next threat is going to come from. That's never been more true—for militaries or for Top Aces.

SKY'S THE LIMIT

THE SQUAMISH NATION IS BUILDING A SKYLINE-DEFINING 11-TOWER DEVELOPMENT ON RECLAIMED TERRITORY IN VANCOUVER THAT REPRESENTS A PATH TO ECONOMIC INDEPENDENCE.

NOT EVERYONE'S HAPPY ABOUT IT

BY KERRY BANKS PHOTOGRAPHS BY ALISON BOULIER

THE THREE TOWERS

rise like muscular sentries from the south end of the Burrard Street Bridge, which connects downtown Vancouver to Kitsilano. They stand out sharply because of their imposing size—26, 31 and 39 storeys—and because of their unique appearance. The glass skins are tinted cobalt blue and coppery orange, and marked with bold flourishes, including wishbone-shaped projections that link the rounded balconies. "Those are trigons—they're a symbol used in Squamish Nation art," says Jacob Lewis III, shouting to be heard over screaming saws and thudding hammers.

These towers, with sweeping views of English Bay, Stanley Park and the North Shore Mountains, represent Phase I of an estimated $3-billion mixed-use development that will establish the Squamish Nation as a major player in shaping the Vancouver skyline. And Lewis has a unique role on the project: He chairs a panel whose mandate is to ensure Squamish Nation identity remains at the heart of the development. In line with that directive, a dozen Squamish artists have been retained so far to enhance parts of it using traditional Coast Salish art forms.

The designs are daring. That's intentional. "We've dealt with cultural erasure for so long, with not having a presence and not being recognized in the territory," says Lewis. "So when people come across this bridge and see a trigon, they're going to find out that this a Squamish development."

The project is being built on 10.5 acres of reserve land that was returned to the Squamish Nation in a landmark court case in 2003. It's called Seṅáḵw (pronounced Sin-auk), after the Squamish village that once stood here. The name can be translated as "inside the head of False Creek"—and the development is most definitely now percolating inside the heads of Vancouverites.

The first three towers will include more than 1,400 purpose-built rental units, plus a three-storey wellness centre with a gym, a pool and a social lounge. The site will also feature retail, public spaces highlighting Squamish cultural identity and art, green space, a bike station (Canada's largest, with 4,477 stalls) and a new transit hub.

And these three sentries are merely the vanguard: Eight more towers will follow, ranging up to 58 storeys, just shy of the tallest in town. When all four phases are completed (the goal is 2033), Seṅáḵw will comprise 6,000 rental units ranging from studios to four-bedrooms—1,200 of them below market prices—and four million square feet of floor space, making this the largest First Nations–led residential development in Canadian history.

That point is emphasized by Mindy Wight, CEO of Nch'ḵaý Development Corp., the economic group formed in 2018 to develop, manage and grow businesses that generate sustainable wealth and opportunity for the Squamish people. "We have brought this development forward to meet the housing needs of Vancouver, while still advancing the economic interests of the Squamish Nation," says Wight, a chartered professional accountant who became CEO of Nch'ḵaý in 2022. She believes this project and other real estate ventures will set the Nation and its roughly 4,000 members—whose ancestral territory encompasses parts of Vancouver and Burnaby, plus North and West Vancouver, the district of Squamish and the municipality of Whistler—on a path to economic independence. It's estimated that Seṅáḵw could generate as much as $20 billion in cash flow for the Nation and its partner, the Ontario pension fund manager OPTrust, over the life of the project.


Jacob Lewis III ensures Squamish identity remains at the heart of Seṅáḵw

Nch'ḵaý CEO Mindy Wight believes Seṅáḵw is a major step toward economic independence

Seṅáḵw was made possible by a $1.4-billion loan from the Canada Mortgage and Housing Corp., the largest CMHC loan ever, approved by the Trudeau government in 2022. And once it's in operation, it will be one of just a few large-scale net-zero housing developments in the world, with all of its heating and cooling produced by a new 10-megawatt district energy system, fed by wastewater from Vancouver's adjacent sewer infrastructure. It's expected to eliminate 120,000 tonnes of greenhouse gas emissions over 30 years compared to natural gas heating.

Predictably, the project has stirred plenty of controversy, from its polarizing design to its sheer density—at full capacity, Seṅáḵw will inject 9,000-plus residents into the area. And because it's on reserve land, the developers didn't have to consult the public about its plans or abide by City of Vancouver regulations that would normally apply to a project of this scope. For instance, the first three towers will include just 107 car-park stalls, far below the 845 that would typically be required for a project this size—saving an estimated $10 million in construction costs. (Vancouver eliminated most parking minimums in 2024.)

Gordon Price, who served six terms on city council, from 1986 to 2002, was among the project's earliest and most vocal critics. In a 2022 CBC interview, the urban-issues commentator lambasted Seṅáḵw for lowering the bar on amenities that he believes are necessary for a project of this scope. Speaking on the lack of public consultation, Price said: "It's basically, 'You f—ked us, now we f—k you.' That's no basis for reconciliation. That's not gonna work. That's awful."

These days, his tone is far more measured. "If you're going to have increased density, you have to have those amenities, because those are the things that determine livability," says Price, who was director of the city program at Simon Fraser University until 2016. "This project wouldn't even get in the front door of City Hall if it was a private sector development."

Even so, he admits that Seṅáḵw will provide a huge stock of badly needed affordable housing—though the city's overall vacancy rate for purpose-built rentals is the highest it's been in 30 years. "There's a lot riding on this," Price says. "If they can pull it off, if there's a way we can deal with the pressures of housing in a more adventuresome way that we never would have entertained if it hadn't been for Seṅáḵw, it will be a story with international significance."

It's hard to gauge how much support there is for Price's perspective. I asked half a dozen prominent former city planners and consultants to share their views on Seṅáḵw, and all declined to comment. When informed of this, Price chuckles and says, "White guilt."

In the late 1800s, roughly two dozen Squamish families lived in Seṅáḵw, on 80 acres the federal government designated as "Kitsilano Indian Reserve No. 6." The area was rich with wildlife and other food sources, and the village was a hub for culture, commerce and connection, a place where neighbouring peoples gathered for potlatches.

At the time, the settlement that would become Vancouver had a population of about 1,000. In 1886, the Canadian Pacific Railway had initiated expropriation of portions of Reserve No. 6 to develop a port and rail yards. The CPR's valuation for the entire chunk of land was $1,800, or $22.50 an acre. I.W. Powell, B.C.'s superintendent of Indian Affairs, rejected the offer, stating that these "loyal and exceedingly well-disposed [Aboriginal people]" had claims "for a proper protection of their rights." Powell's valuation was $750 an acre. The CPR called the price exorbitant and only agreed to pay compensation for its right-of-way and to acquire land to build a wye, a triangular junction that allows locomotives and trains to reverse direction.

Although their numbers were small, the presence of the Squamish people disturbed the settlers. A 1908 editorial in the *Vancouver Daily World* depicted Seṅáḵw as a "fire-hazard created by the

presence of Indians and degenerate whites...a city of refuge for characters who carry their moral infection into the rancheries."

By 1911, thanks to regular train service, Vancouver's population had surged to 120,000. Two years later, B.C.'s premier, Richard McBride, left for London and asked his attorney general, William John Bowser, to deal with the Seńáḵw situation in his absence. According to researcher Mayana Slobodian, who pieced together an account from news clips, Bowser and a squad of police held a meeting at the chambers of the local magistrate, where he strong-armed a group of 20 "illiterate" Squamish men into accepting $11,250 each (more than $300,000 today) in exchange for surrendering their land. They were told that if they didn't accept the deal, they'd be turfed out with nothing.

A few days later, the villagers were loaded onto barges with their belongings and set adrift. That night, all the buildings were looted and burned to the ground.

Local media expressed sympathy for their plight, but the underlying theme was that the result had been inevitable. A *Vancouver Sun* article concluded, "The move today was another evidence of the passing of a race before the onward sweep of progress."

The province launched an inquiry in 1916, but it concluded that neither Bowser, by then B.C.'s premier, nor his law firm had directly benefited from the sale of the land, which it declared to have been fair and of great public advantage.

For decades, the expropriated land remained largely undeveloped. And though Squamish leaders never forgot the injustice, a legal remedy was out of reach. Until 1951, a provision in the Indian Act prevented them from even hiring a lawyer to pursue their claim.

By 1977, however, a small North Vancouver law firm, Ratcliff LLP, had taken up the Squamish cause and initiated legal proceedings. John Rich, who became lead counsel in the suit, says preparing the case took nearly 20 years. "We were a small firm, and there was a vast amount of historical research," says Rich. "We collected 10,000 documents. It was a very complicated case." The actual trial consumed 200 days of court time and lasted three years. "At the time, I believe it was the longest trial in Canadian history," Rich says.

The Squamish claimed that the Crown had failed its fiduciary duties under the Indian Act by permitting the forced sale of their land, and they sought financial compensation and restoration of the reserve. In addition to pursuing their claim with the Crown, the lawyers also had to contend with a legal challenge from the neighbouring Musqueam Indian Band and Tsleil-Waututh Nation, both of which claimed an interest in the reserve land.

The case was a grind. "The government talks about reconciliation, but there is no reconciliation in the litigation process," says Rich. "Their lawyers fought like hell." In the end, the Squamish prevailed. A negotiated settlement in 2000 handed the Nation $92.5 million in compensation for surrendering their claim to roughly 70 acres of the site, which now encompasses Vanier Park, the Museum of Vancouver and Planetarium, the Vancouver Maritime Museum, the city

Chair of the Squamish Nation's governing council, Wilson Williams, with a model of the full Seńáḵw development

A view of what was then the Kitsilano Indian Reserve No. 6, circa 1907 (left). And an artist's rendering of what the full Seṅáḵw development will look like when it's finished somewhere around 2033 (below)

archives, a bike track and two marinas. In a separate provincial case over the 10.5-acre parcel where the development now stands, the Squamish also prevailed. The decision was upheld in a 2003 appeal.

Seṅáḵw holds special significance for Wilson Williams, the recently elected chair of the Squamish Nation's governing council. His great-grandfather, Andrew Paull, born in 1892, lived in the seaside village for a time with his mother, Caroline, and they were part of the group who was evicted. Paull would eventually be sent to residential school, where Williams says he inexplicably thrived; he went on to receive legal training, though he couldn't practise as a lawyer unless he gave up his Indian status, which he did not.

For Williams, Seṅáḵw is a living example of reconciliation. "I have been flying back and forth to Ottawa on a regular basis," he says. "I'm being let into rooms I would never have been allowed into before."

Nch'ḵaý's offices are inside the Park Royal complex in West Vancouver, which includes an upscale shopping emporium and sits partly on Squamish land. Mindy Wight was raised off-reserve, nearly 800 kilometres north of Vancouver, in Prince George. When appointed to Nch'ḵaý's top post in 2022, she'd already been serving as the group's CFO since the fall of 2021 and was a full-time partner at the accounting firm MNP, where she was a partner and national leader of Indigenous Tax Services. Her five-person leadership team currently manages more than $300 million in assets that it owns directly (including a pair of marinas, an RV park, a gas bar, and International Plaza in North Vancouver, whose two towers hold 471 rental units and 65,000 square feet of commercial space), plus another $1 billion in assets for the Squamish Nation.

Her staff is young; just over half are Indigenous. "We don't have a quota—we hire the best qualified," says Wight. "However, we do want Squamish people to be in these seats eventually. The qualified applicants just aren't there yet." Her style, she says, is open and collaborative. "They're the same values that Squamish embody in leadership, and that's what we aspire to do at Nch'ḵaý, as well."

Nch'ḵaý is developing the first two phases of Seṅáḵw through a 50-50 partnership with OPTrust, which manages the $26-billion OPSEU Pension Plan. OPTrust wasn't Nch'ḵaý's original partner, however. That was Westbank Corp., one of North America's leading luxury residential and mixed-use real estate developers.

Established in 1992, Westbank's Vancouver portfolio includes the Shangri-La Hotel; the Fairmont Pacific Rim; Vancouver House, a honeycombed skyscraper that twists upward like an Escher drawing; and Oakridge Park, a huge mixed-use development with roughly 3,000 units in 10 buildings. Its hard-driving CEO, Ian Gillespie, is a polarizing figure in Vancouver, admired in some quarters for his ambition and creativity, and detested in others for marketing his condos to wealthy overseas buyers and driving up prices amid a housing crisis.

Love Gillespie or hate him, there's no doubt that teaming up with Westbank would ensure Seṅáḵw made a splash. The deal was approved in December 2019 by 81% of voting Squamish Nation members.

Westbank and its polarizing CEO, Ian Gillespie, pulled out of the Seṅáḵw project in mid-2022

PHOTOGRAPH (GILLESPIE) RAFAL GERSZAK/*THE GLOBE AND MAIL*; (ARCHIVAL) CITY OF VANCOUVER ARCHIVES; (RENDERING) REVERY ARCHITECTURE/WESTBANK/SQUAMISH NATION

But by mid-2022, soon to be mired in lawsuits over unpaid work on the Mirvish Village project in Toronto, Westbank had cut its 50% Seṅáḵw investment to 30%. In August 2025, it pulled out entirely. Westbank gave no reason for the move, but popular speculation held that the firm was overextended, hit hard by both rising interest rates and residential construction costs.

Williams says Westbank's withdrawal created a lot of worry—and unpaid bills. "Our reputation was on the line," he says. "The anxiety we had was like, are we sinking with them? The fear of us not being successful on the first phase was there. It was raw. You have those old feelings back, like someone else has taken something away from you."

OPTrust eventually agreed to buy Westbank's shares, boosting its investment from 20% to 50% in 2025. "This is one of the largest First Nations, non-resource economic development projects in Canadian history," OPTrust's president, Peter Lindley, said in a statement. "We're proud to deepen our partnership with the Squamish Nation, whose vision and values are highly aligned with ours."

Despite the unusual circumstances behind Seṅáḵw's creation, Vancouver's city government has backed the project from the start. In 2022, the city finalized an agreement with the Squamish Nation that covered police and fire services, utilities and public works. The Squamish Nation will pay for these services at a similar annual rate as other Vancouver property owners. The Nation also agreed to provide at least $49 million to fund transportation and utilities costs associated with supporting Seṅáḵw. Of that, $15 million will go toward building a transit hub on the bridge.

Kennedy Stewart, Vancouver's mayor at the time, emphasized the importance of reconciliation in securing the agreement. "I'm here today as the head of a colonial institution that for years passed laws and policies that were racist and oppressive," Stewart said. "When I first learned of the project, I knew I would do everything I could to support it."

Ginger Gosnell-Myers believes Seṅáḵw will change the public's perception of Indigenous peoples

PHOTOGRAPH AMY ROMER

Not everyone felt that way. In 2022, a group representing residents of Kitsilano took the city to court, asking a judge to cancel the services agreement. The Kits Point Residents' Association (KPRA) was concerned primarily about the size and density of Seṅáḵw, the height of the towers, and the impact on neighbouring communities.

The KPRA argued that the city hadn't given residents a fair chance to offer feedback on the project. (Because the Squamish Nation remains under the federal Indian Act, the development doesn't fall under the jurisdiction of Vancouver City Council.) The services negotiations were also kept secret, and the details weren't published until July 2022, two months after the agreement was signed.

The KPRA felt the city should have used its ability to refuse services as a bargaining tool to exert control over the development's density and composition. Justice Carla Forth of the B.C. Supreme Court dismissed the lawsuit in September 2023, however, concluding that council was justified in holding meetings in private and not consulting the public about the commercial agreement. In her 73-page judgment, Forth noted that the Squamish Nation had wanted the accord to remain confidential, but the city insisted it be disclosed.

Forth's summary also referred to an issue that arose during the negotiations regarding the Burrard Bridge, which carries up to 46,000 vehicles each day. The city's position was that it has a valid right-of-way for the bridge. The Nation argued that the Court of Appeal's 2003 decision to return the property to the Squamish invalidated that right-of-way, since it was created three decades after the land was expropriated, and that the bridge therefore trespasses on Squamish land.

Had the Squamish dug in on bridge access, it would have created a monumental headache and cost the city a stack of money to fight. But the Nation agreed to put the issue aside, though without relinquishing its right to take the matter up again at a later date.

As part of the new deal with OPTrust, the Squamish Nation owns 100% of Phases 3 and 4. "Full ownership gives us greater freedom to shape the project's future on our terms, rooted in our priorities, values and vision," says Williams. Although it has withdrawn its money, Westbank is still managing the first phase in concert with Vancouver-based Revery Architecture.

Revery design principal Venelin Kokalov says Seṅáḵw has been a complex undertaking, requiring close communication with the Squamish Nation and a large number of stakeholders. The physical challenges include working with a small, Y-shaped piece of property—the footprint of the CPR wye—bisected by a 95-year-old bridge whose structural integrity must be maintained.

The first three towers have a mountain motif, says Kokalov. The Long Towers in Phase 2 are inspired by the longhouses that once stood in the village and will include "rippling screens rising through the glazed facade like salmon leaping and twisting in a stream," according to Revery's website.

As more towers go up, Seṅáḵw's impact on the skyline will become more evident, and Ginger Gosnell-Myers, who was the City of Vancouver's first Indigenous relations manager until 2018, believes it will alter people's view of the Squamish Nation and Indigenous people in general. "People tend to view First Nations as being extremely impoverished and marginalized, and not having a lot of hope," says Gosnell-Myers, a member of the Nisga'a and Kwakwa̱ka̱'wakw Nations who's now an Indigenous Fellow at SFU studying urban Indigenous policy and planning. "But we're finally reaching a moment where First Nations, through urban development, are seeing that narrative completely change."

It's hard to imagine any one project changing long-held perceptions, she admits. But anything that breaks down the notion of First Nations being on the outside is an important step toward reconciliation. "We're still trying to communicate who we are, what we aspire to and how we can get there, and how we can't get there on our own," she says. "Projects like Seṅáḵw can help bridge that gap."

And it's not the only development in the queue. In 2023, the Squamish Nation announced it intends to develop 350 acres in North and West Vancouver, in the town of Squamish and on the Sunshine Coast. Another massive undertaking is the Jericho Lands Project. In 2014, a consortium of the Musqueam, Squamish and Tsleil-Waututh Nations—known as MST—teamed up with Canada Lands Co., a federal Crown corporation, to buy 52 acres in Vancouver's West Point Grey neighbourhood from the federal government, later going solo to buy a 38-acre parcel from the province, for a total of $717 million. The plan, which was strongly opposed by some area residents, envisions 13,000 new units housing 24,000 people, an influx that would more than double the surrounding area's current population, with construction stretching up to 30 years.

Residents argued that the proposal

was too large, too dense and at odds with the neighbourhood's character. They pitched an alternative design that included low- and medium-rise buildings using wood, as well as steel and glass. The developers held public meetings to hear out opponents, but in the end, the proposal went nowhere.

MST could soon become a major force in the local real estate game. The three Nations are full or co-owners of six prime properties throughout Vancouver that total more than 160 acres of developable land, with a valuation in the billions. MST's goal is to reclaim traditional lands and foster economic independence. As Wendy Grant-John, a former Musqueam chief, has noted, "We were a city before there was a city."

The rooftops of Sen̓áḵw's first three towers tilt toward the North Shore Mountains and a pair of pointed peaks known to Vancouverites as the Lions (hence the Lions Gate Bridge and BC Lions). To the Squamish, they're known as the Two Sisters, honoured for their mythic role in bringing together warring nations to create a lasting peace.

Nearby is the Museum of Vancouver building, opened in 1968. From 30 storeys up, its white roof resembles the woven cedar hats worn by some First Nations people—a design feature that's not entirely evident from the ground. Architect Gerald Hamilton clearly added it as a nod to the people who lived here long before the arrival of European settlers, though he could never have imagined it being admired from this vantage point. It's another sign of the connectedness of things, a merging of past and future. Signs of this can be seen everywhere, if you know where to look. As Jacob Lewis III notes, the forked shape of the Sen̓áḵw property itself looks like a trigon.

Many Squamish people believe this land was destined to be returned to them. For them, the glass and steel of the Sen̓áḵw development is simply the delivery of delayed justice, a reversal of historic tides. Wilson Williams addressed that notion while standing before a scale model of the project. "It was always talked about how we're going to be back here, what's going to be here. Those are no longer whispers in the wind."

Sen̓áḵw, he says, "is a call back to the ancestors and an announcement to the people of Vancouver: We were invisible. People didn't know who we were. The towers have changed all that. Now people will know."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HOW TO KICKSTART CANADA'S ECONOMY

ILLUSTRATIONS BY YIREN TANG

BY JOHN LORINC + PIPPA NORMAN

The Canadian economy faces an unprecedented challenge—several of them, actually. Luckily, ideas abound on how to give this country the productivity boost we need to thrive no matter what the man in the White House throws at us next. We spoke to leaders in a range of sectors—from manufacturing and finance to philanthropy, tourism and beyond—about what to tackle in 2026.

GIVE CANADIAN ENTREPRENEURS AN UNBEATABLE INCENTIVE TO STAY IN CANADA

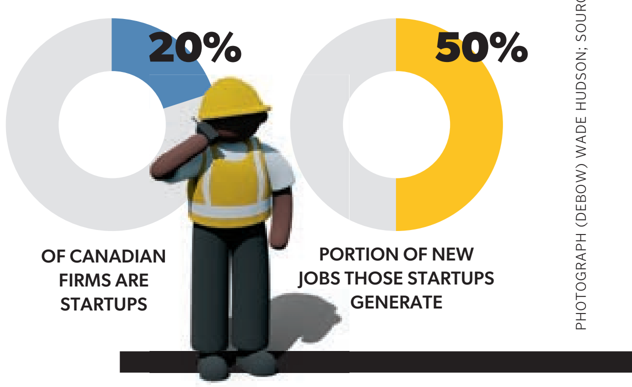
Daniel Debow, chair of Build Canada and former Shopify vice-president

A RECENT LEADERS FUND study revealed that just 30% of high-potential Canadian-led startups launched in 2024 stayed in Canada. This isn't just a brain drain—it's a surrender of our economic sovereignty. We cannot build a prosperous, independent nation if our most ambitious citizens are effectively paid to leave. They aren't leaving because they stop being Canadian; they're leaving because the math forces them to. The U.S. tax code aggressively rewards risk. Ours punishes it.

To fight back, national pride is not enough. We need a policy that makes the business case for Canada undeniable. That single high-leverage change is a superior capital gains exemption designed to beat the U.S. Qualified Small Business Stock regime.

We should immediately raise the exemption to $15 million, or 10 times the investment—surpassing the American cap—and apply it per venture, not per lifetime, to encourage serial builders. Crucially, we must democratize this reward by removing the 5% minimum ownership rule so that early employees, not just founders, benefit, and expand eligibility to all sectors of the economy.

Finally, we must unlock risk capital by allowing tax-free rollovers, ensuring gains from one win can be instantly deployed without penalty into the next high-risk Canadian venture. This is not a handout to the rich. This is a strategic defence of our future to keep our builders building here in Canada.



PHOTOGRAPH (DEBOW) WADE HUDSON; SOURCEE OECD; STATISTICS CANADA

MODERNIZE HOME-BUILDING

Geoff Cape, CEO of Assembly Corp., which produces mass timber panels for prefab housing

CREATE AN ECONOMIC COUNCIL

Jim Balsillie, philanthropist and chair of the Council of Canadian Innovators

OVER THE past 30 years, Canada's economic structure became more akin to Russia's: exporting raw resources and foodstuffs, while losing promising tech talent and startups to the U.S. All this despite enormous public investments into research and development, creating a highly educated population, and funding a myriad of innovation programs.

Forty years after the advent of the knowledge-based economy, Canadian policy-makers have proven incapable of dealing with the opportunities and challenges afforded by the global economy of IP, data and AI.

An Economic Council would provide the government with the research, expertise and capacity to produce policy agendas for the array of evolving and cross-cutting competitiveness and security issues Canada faces. Staffed with experts from the public and private sectors who understand how the nature and structure of contemporary firms have changed, it would also help governments navigate modern trade agreements, which have since the early 2000s become less about liberalizing trade through tariff reductions and more about regulatory remote control, technical standard-setting and spreading monopolies.

Governments have extraordinary capacities for marshalling resources and effecting change. That same energy can and should be used to create an Economic Council that would kickstart an intellectual renaissance inside our civil service and broader policy community.

PHOTOGRAPHS (BASILLIE) JENNA MUIRHEAD/TGAM; (COBB) DAVID-HOWELLS

PRODUCING AND SHIPPING raw lumber south of the border isn't working. To kickstart Canada's economy, we must build a housing industry focused on quality, affordability and speed. While European and Asian countries are setting the pace, Canada has the opportunity to leapfrog ahead by embracing modern methods of construction, AI and robotics—powered by entrepreneurial courage.

Across the country, architects, engineers, builders, trades, policy-makers, and wood and materials producers are showing what's possible by standardizing designs, digitizing production and shifting construction off-site. This shift can dramatically reduce costs, increase productivity, and create a new generation of skilled jobs, all while delivering better, more affordable homes.

GROW OUR TOURISM INDUSTRY

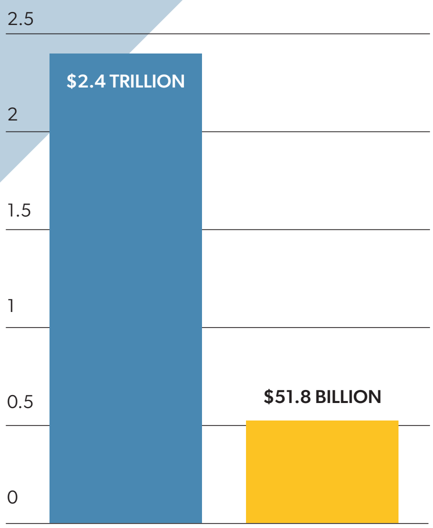
Zita Cobb, founder and CEO of Shorefast and the Shorefast Institute for Place-Based Economies, and owner of Fogo Island Inn

OUR TOURISM industry should account for 7% of Canada's GDP. But we've got to help people get to Canada, whether they're coming through Vancouver or Toronto or Montreal. And then we need what every other OECD country has, but we don't, which is a regional air access network.

In most countries, regional air access happens because there's some kind of collaborative relationship between markets, governments and communities. Who's going to pay for you to fly to Yellowknife? If we leave it to the market, which is what Canada has done, it won't happen, because there aren't enough people going there.

Tourism supports cultural institutions. It supports all the hiking trails. It's all connected. What's not understood is that trade follows tourism. People come to Canada for vacations, fall in love. Then they want their kids to go to school here and start to become interested in investing here. The Nordic countries understand this. You see it in Fogo Island. That little inn has added $250 million to the economy of not just Fogo Island, but to Canada and Newfoundland. It hangs by one thread of a flight. Every flight that lands adds millions to our economy. Why would we just leave that to the market?

CANADA'S GDP AND GDP FROM TOURISM



SET A GOAL, MAKE IT BOLD, GET IT DONE

Linda Hasenfratz, executive chair of Linamar

WHEN WE look for leaders at Linamar, we look for people who are passionate and who come up with good ideas, but who can also execute. You can plan all day long, but if you're not getting stuff over the finish line, it's not helping.

We need a three-point plan: Focus on trade, get more efficient, and increase the incentive to invest. The federal government has made steps in the right direction, but a lot of it's just not getting over the finish line quickly enough. The government has been quite focused on international trade deals. We should totally be doing that, but we cannot do it to the exclusion of our relationship with the U.S. We need to secure a stable, mutually beneficial trade relationship with the U.S. and get it done quickly, instead of dragging on for months.

We also need to help companies get competitive on exporting by reducing the cost of establishing overseas relationships and investing in export-oriented infrastructure. Then we should reduce our government work force. Business productivity has been steadily growing over the past 20 years, but government productivity has been flat. Finally, Prime Minister Mark Carney has talked about pipelines, but again, it's not getting done.

Look what we did during COVID-19—things you would never in a million years be able to get done that quickly got done because everybody understood it was critical.

SELL YOUR SMALL BUSINESS TO A FIRST NATION

Bill Lomax, president and CEO of First Nations Bank of Canada

OVER THE NEXT 10 YEARS, 76% of Canadian small business owners are looking to exit—a transfer of more than $2 trillion in assets. At least half aren't going to the kids or some related party. So who do you sell $1 trillion in assets to?

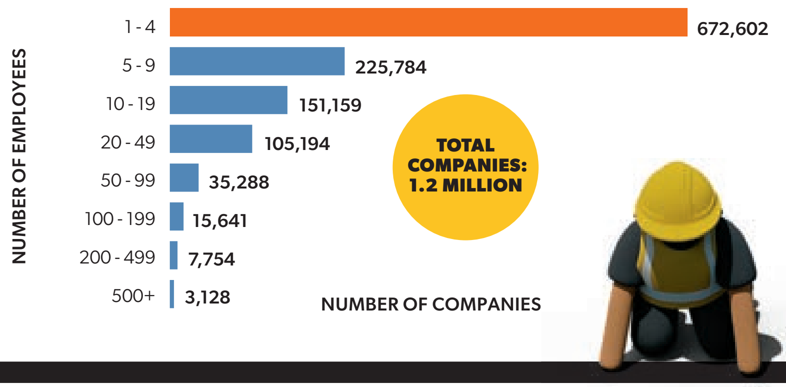
You could sell your company to a private equity firm that would probably parse it for parts. But if you care about what you've built and the people who will continue to work there, First Nations can be an excellent option. They'll pay a fair price, and unlike private equity, they're likely to keep management, try to build the company from where it's at, add value and then hold it forever.

With all the major projects being built, we're going to need small businesses that can provide services, including construction and engineering companies, companies that operate camps, and ones that provide safety services and security.

This is an interesting play for both the boomers and the First Nations. Some 80% of startups fail. If you buy an established company, only about 20% fail. So the win rate for the First Nation is significantly higher. It's a good financial opportunity for the seller, and your company could go on to benefit hundreds, if not thousands, of people from the income and jobs it creates.

Indigenous communities are still growing. We have the population to run these things. If your kids aren't interested in running the business, we are.

NUMBER OF CANADIAN BUSINESSES WITH PAID EMPLOYEES, BY SIZE



PHOTOGRAPHS (HASENFRATZ) TRINA KOSTER/CP (LOMAX) DUANE COLE/TGAM; (RUFFOLO) MELISSA TAIT/TGAM

BUILD A CANADIAN SOVEREIGN WEALTH FUND

John Ruffolo, founder and managing partner of Maverix Private Equity

CANADA IS DANGEROUSLY reliant on foreign capital to build industries that are essential to our sovereignty: energy, food, data, AI, health care, mobility and defence. That dependence is increasingly risky when every major economy is prioritizing its own interests.

The solution is straightforward: Canada should create a national sovereign wealth fund. Countries like Norway and Singapore understood long ago that sovereignty requires permanent, professionally managed capital. Norway's fund—built on resource revenues—is now worth US$2 trillion. Canada, by contrast, has fragmented capital spread across dozens of programs and agencies, many focused on grants rather than ownership, scale or long-term returns.

A Canadian fund would consolidate existing federal investment assets, recycle resource revenues and shift subsidies into equity ownership. Its mandate: to invest in Canadian-owned companies in sectors of sovereign importance, while generating sustain-

FOCUS ON COLD-WEATHER INNOVATION

Jessica Shadian, CEO of non-profit think tank Arctic360

TRUMP WANTS A BIG, beautiful golden dome. Canada wants to strengthen its defence readiness and advance NORAD modernization. NATO wants to strengthen its Arctic presence and capabilities, and ensure Greenland's autonomy.

Canada is set to deploy billions in dual-use infrastructure. Missing from this discussion are the cold-weather innovations that are both necessity and opportunity. We're one of eight Arctic nations uniquely positioned to become world-renowned in next-generation, fit-for-purpose, cold-weather dual-use technologies. Finland, Norway and Sweden all have such programs, driven by government leadership with the aim to drive private capital, industry and leading researchers north to focus on cold-weather infrastructure and technologies.

Canada's new BOREALIS program is focused on frontier tech, from AI and robotics to quantum and space. The program should live up to its name and be rooted in the Arctic, mandated to develop the technology needed for NATO modernization, Arctic security, mining and critical infrastructure—from housing to energy—both for Canada and for export. It should build on our existing Arctic research hubs that work with northerners to develop Canadian IP for scale up and out.

If you can build it for the Arctic, you can build it for anywhere. This is an opportunity for world-class Canadian innovation. It's also a necessity: If we do not innovate to be fit-for-purpose in our Arctic, others will.

MORE COMPETITION AT HOME, MORE COLLABORATION ABROAD

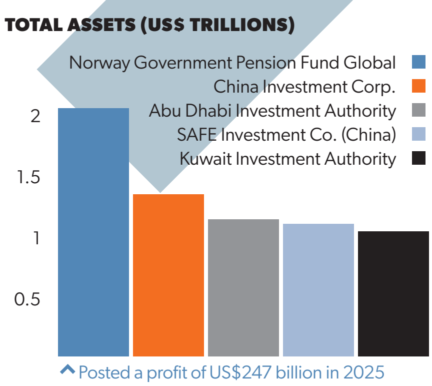
Denise Hearn, director of strategic initiatives at the Long Now Foundation

THERE'S A DIFFERENCE between competition (at home) and competitiveness (abroad). For too long, we've conflated the two, imagining that homegrown monopolies and oligopolies—which sell cellphone packages and bank accounts, not globally tradeable goods—will produce gains for Canada. We've run that experiment, and it has failed. Sheltering domestic incumbents doesn't create global champions; it simply extracts rents from Canadians while weakening the broader economy.

Instead, our solution should be to increase competition at home, making domestic markets much more accessible to startups and scale-ups through tailored, open market access regulations, investment in R&D commercialization, and protection of Canadian IP from foreign appropriation. We can use regulatory, tax and procurement levers to shift capital toward growth companies and truly invest in Canadian-made innovations. This will make us more globally competitive. Simultaneously, we'll need to increase collaboration with new allies and middle powers with shared interests to stimulate new supply chains, trade relationships and technology transfers that can position Canada strategically for the decades to come.

able returns that compound for future generations. Governance must be independent, insulated from politics and focused on long-term outcomes—more like the Caisse de dépôt et placement du Canada than a government program.

Canada doesn't lack talent or entrepreneurs. What we lack is domestic capital at scale. A sovereign wealth fund would be a statement of maturity and a necessary step if Canada wants to control its economic destiny, rather than outsource it.

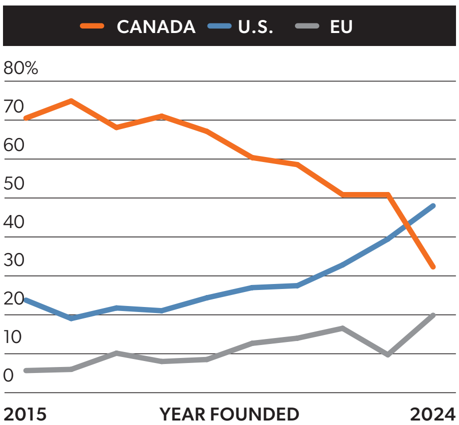


SOURCE SOVEREIGN WEALTH FUND INSTITUTE

CONVENE A ROYAL COMMISSION ON TAX COMPETITIVENESS AND INVESTMENT

Benjamin Bergen, recently departed CEO of the Canadian Venture Capital and Private Equity Association

% OF COMPANIES FOUNDED BY CANADIANS THAT RAISED MORE THAN $1 MILLION, BY LOCATION



SOURCE LEADERS FUND

CANADA HAS NOT convened a royal commission focused on federal tax policy and competitiveness since the Carter Commission of the 1960s. In the decades since, global competition has fundamentally changed, driven by mobile capital and a knowledge-based economy operating across borders. Yet Canada's tax framework has evolved incrementally, without a coherent national strategy to anchor prosperity and ownership in Canada.

At the World Economic Forum in Davos, Mark Carney framed Canada as a middle power navigating an era of intensifying global competition, a distinction that carries real consequences. Middle powers do not set the rules of the global economy. They succeed by acting faster and competing with greater discipline than larger, hegemonic states. If Canada wants to keep and attract capital, it must be among the most tax-competitive jurisdictions in the world.

In 2023 and 2024, roughly 104,000 Canadians emigrated, most to the U.S., making the costs of inaction visible in real terms. But migration alone does not capture the full picture. Capital is flowing outward, leaving firms to scale elsewhere and shifting strategic ownership beyond Canada's borders. Capital moves with firms and talent toward jurisdictions that reward risk-taking, sustained investment and long-term ownership. Canada increasingly does not.

Canada's capital gains treatment and overall tax and investment framework have drifted out of alignment with peer countries just as ownership has become central to economic sovereignty. Canadian founders sell early or scale elsewhere. Strategic assets migrate offshore. We export upside and lose control.

This Commission should operate on a fixed timeline and be grounded in industry realities. Its work should be judged against global best practices for supporting predictable conditions for investment and domestic ownership.

For a middle power like Canada, competitiveness is not optional. It is existential. This is how we meet the moment.

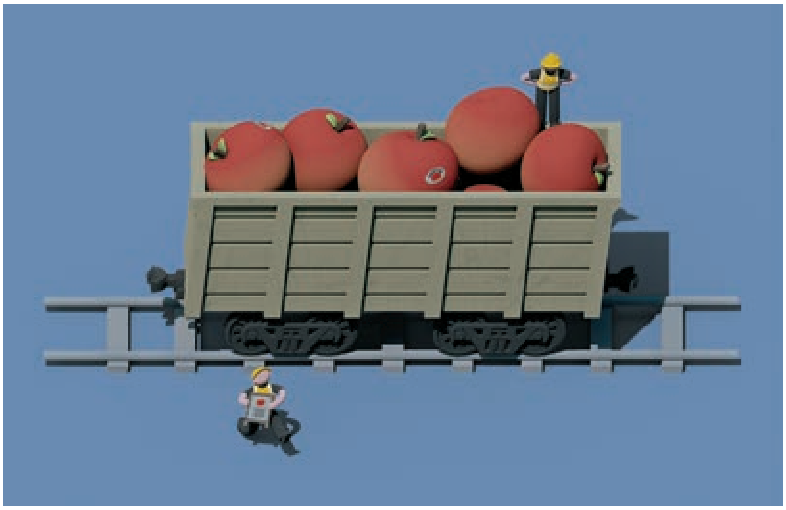
ELECTRIFY CANADA'S TRUCK FLEETS

Monica Curtis, senior director of communities and decarbonization at Pembina Institute

MEDIUM- AND HEAVY-DUTY trucks are 4% of the vehicles on Canada's roads, but they're responsible for about 30% of transport emissions. Traffic-related air pollution contributes to thousands of hospitalizations and premature deaths in Canada every year, and that's a weight on our economy. It highlights the urgent need for a solution that can kickstart benefits to businesses but also reduces unnecessary costs.

For companies to electrify, they have to do a lot of things on their own, and this is why we think there needs to be leadership from government to strengthen the local supply chain. We don't do a good job of rewarding businesses for the benefits they provide from a societal perspective. For example, when a vehicle is electrified, there's a value that load can provide to the utility system. Yet we don't make it easy for our utilities to create rates that support that business.

There are about 150 zero-emission heavy- and medium-duty truck models available in Canada. We have to help expand that domestic supply chain so they're out there selling these trucks more effectively to fleet owners. Government can be a first customer. By building that domestic market, you create the capacity for export, which creates an opportunity for the Canadian economy and strengthens our energy security by insulating businesses from diesel fuel price swings.



REVIVE THE 60-YEAR-OLD SWEDE WHO SHAMED A GENERATION INTO GETTING FIT

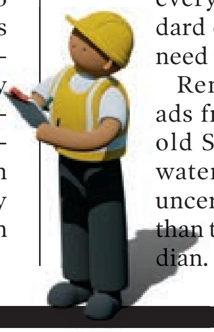
Marc Parent, recently departed CEO of CAE Inc.

WE HAVE TO REALIZE that Canada's future prosperity isn't guaranteed. It's not our birthright. A lot of people assume that tomorrow will look like yesterday. It won't. Our productivity has lagged. It sounds like an abstract notion, but very simply, we're producing less wealth per person. If we don't act, everything we need for our standard of living is going to spin. We need to spark that level of urgency.

Remember the ParticipAction ads from the 1970s? The 60-year-old Swedish man taking a cold-water bath? The ad told us in no uncertain words that he was fitter than the average 30-year-old Canadian. That narrative woke us up on fitness, and real change followed.

You could use that approach with a whole host of issues to capture the imagination of Canadians. We've normalized things that don't make sense, like internal barriers. We don't have real labour mobility. It can be easier to trade with Europe than across provinces. We have ample resources, but it takes 10 years to get a permit.

We have proximity to the U.S. We have resources and goods the world needs. We have talent and a trusted brand. But we need that urgency to eliminate trade barriers. We need the equivalent of the 30-year-old Canadian–60-year-old Swede moment.



DE-POLITICIZE IMMIGRATION POLICY

Martin Basiri, CEO of Passages Inc.

OUR IMMIGRATION SYSTEM is very politically driven. We make decisions to open or close the gate on a purely political basis. My idea is to create an independent body that makes immigration policies based on economics and mathematics, not politics. We've done this in monetary policy, by creating an independent body called the Bank of Canada.

Canada's median age is 42. We provide free health care and education. We have a lot of seniors. We are aging massively. We need continuous work force growth. Without immigration, our population is shrinking.

An independent body made up of economists, statisticians and scientists should come up with immigration policies that the government can execute. That body should be completely shielded from politics.

Long-term issues like Canada's low fertility rate, and investing in higher education for the next generation of Canadians and for future immigrants—no one's taking care of them. We need to think about how Canada is going to look in 2050.

PHOTOGRAPHS (PARENT) GRAHAM HUGHES/CP; (BASIRI) KATE DOCKERAY/TGAM

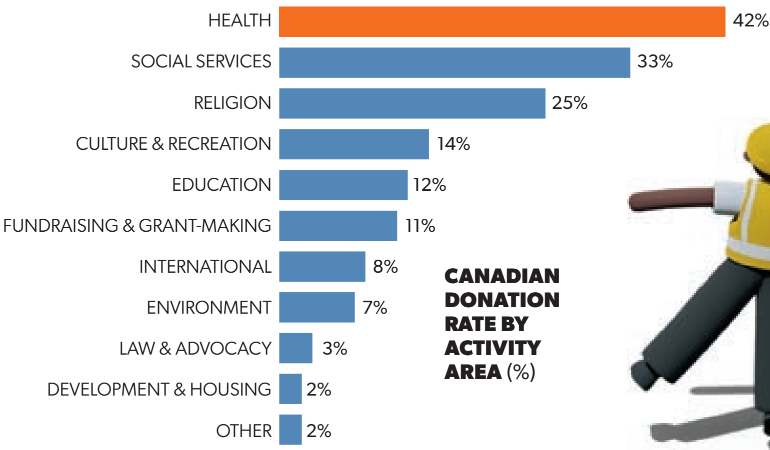
FOCUS PHILANTHROPY ON A HANDFUL OF KEY SECTORS

Jennifer Bernard, president and CEO of SickKids Foundation

MY BIG IDEA is to help Canada in this pivotal moment by focusing on a small number of areas we could dominate, with philanthropy as the catalyst.

This would be a two-step process. One is to make Canadians focus their philanthropy on Canada. Second is choosing a couple of key industries where philanthropy can move the dial quickly. We could have public-private partnerships, almost like venture capital–type activity, happening with philanthropy, government funding, and industries coming together to look at sectors like medicine, AI, climate modelling and tech. Instead of the scattergun approach, philanthropy could be a great partner in a few targeted sectors.

This starts with the government saying, "These are the sectors we care about. We're going to create more research chairs and invest alongside philanthropists to lift them more quickly." Often, you'll get federal funding in dribs and drabs spread out across the country. Unfortunately, this is a moment where not every sector will get equal attention. It won't be about giving everybody a little bit. It'll be about who is the best positioned to move us forward, and investing in institutions by choosing the horses they want to bet on.



CANADIAN DONATION RATE BY ACTIVITY AREA (%)

LEVERAGE SUSTAINABLE FINANCING RULES TO DRIVE GREEN INVESTMENT

Barbara Zvan, president and CEO of University Pension Plan Ontario

THE 2024 BUDGET announced a voluntary sustainable finance taxonomy, something few people understand. It's a classification system that categorizes investments in alignment with climate targets. My analogy is the Energy Star rating system on your dishwasher. How do you use this tool to encourage money to flow into sustainable projects? One example: Algoma Steel. Governments gave Algoma money to make green steel but didn't encourage Canadian demand. A taxonomy would fix that, first by credibly classifying Algoma steel as a "sustainable investment," which encourages banks to lend more to projects using classified sustainable steel. That's how we get more buyers for Algoma and help it compete with regular steel.

The taxonomy could be used by Canadian pension plans to show members how aligned their investments are with climate targets. As investors wiht long time horizons, we have to consider this stuff. It's about giving investors the tools to integrate sustainable financing into their strategies and the clarity to allocate capital away from risk and toward opportunity part of our investment strategies.

SOURCE IMAGINE CANADA; PHOTOGRAPHS (BERNARD) JANICE REID/TGAM; (ZVAN) FRED LUM/TGAM; (HENDRICKS ALEXA MAZZARELLO

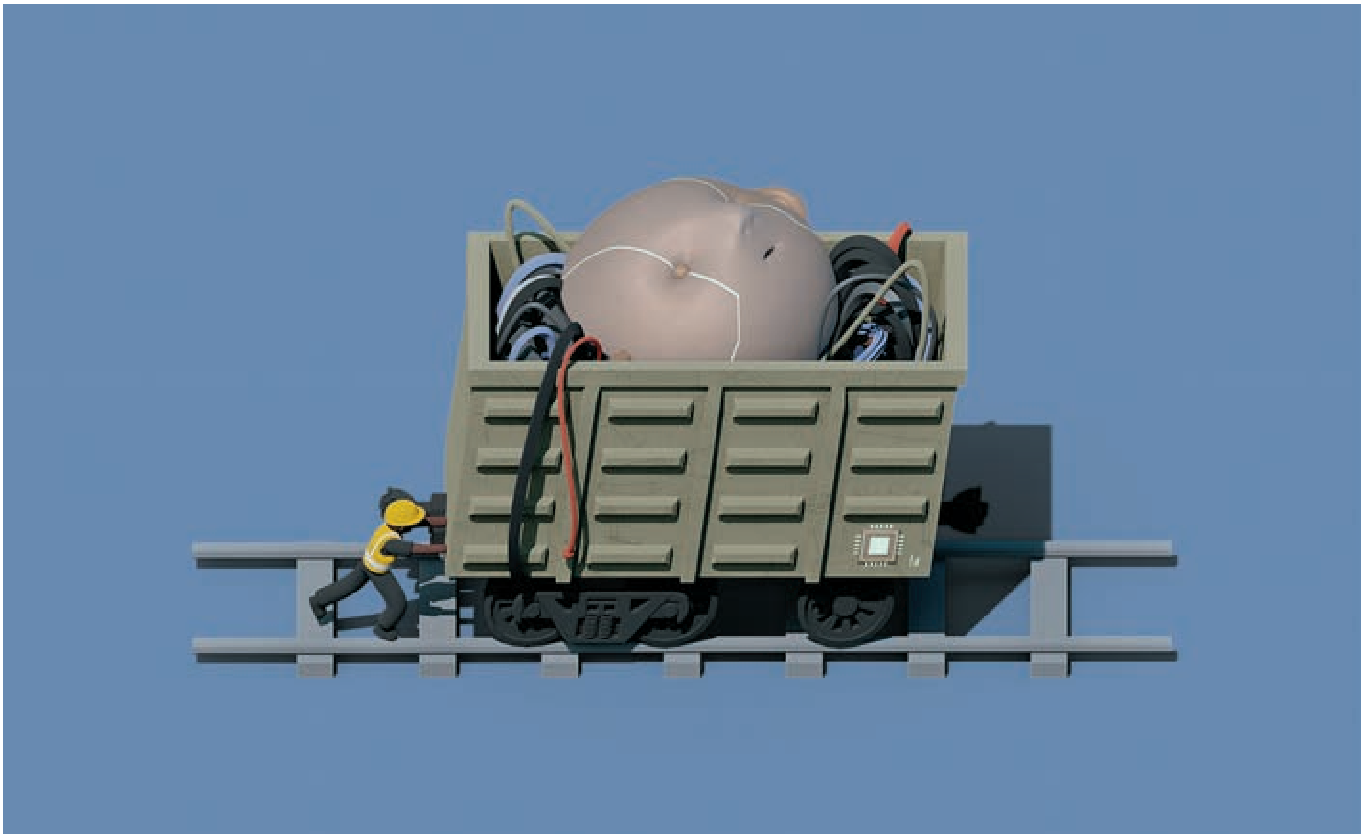
DRIVE AGRI-FOOD PRODUCTIVITY

Justine Hendricks, president and CEO of Farm Credit Canada

CANADA'S AGRICULTURE and agri-food industry is one of our most strategic economic assets and a cornerstone of our global influence. It contributes over $150 billion annually to GDP, employs one in nine Canadians and accounts for nearly $100.3 billion in annual exports. And it's uniquely positioned to tackle four of the biggest challenges facing our planet: food insecurity, health, climate change and economic growth.

Farm-level productivity is the growth engine for the entire ag and agri-food industry. Restoring productivity to historic levels of 2% a year could generate up to $30 billion in additional farm income, increase GDP by $31 billion and create nearly 23,000 new jobs over the next decade.

But productivity alone is not enough. Canada must build more processing capacity so we can turn raw outputs into high-quality, market-ready products. Building value-added manufacturing is how Canadian agriculture can strengthen inter-provincial trade, support food sovereignty and diversify exports, reaching high-value markets in Europe, Asia and Latin America.



PUT THE BRAKES ON AI

Ron Diebert, political scientist and director of Citizen Lab at the Munk School of Global Affairs & Public Policy

I'M FEELING REALLY uncomfortable these days about some of the decisions being made around prioritizing the economy over other social values. That's best illustrated by how governments are treating AI—it's all gas, no brakes, and we're seeing a slew of harms as a consequence. Everyone needs a job. But instead of kickstarting the Canadian economy, we need to be thinking about where and how to apply brakes to industries that are operating in a largely unfettered manner.

Take any of the major AI platforms, especially OpenAI and Grok. What we see is an experiment being conducted on billions of people in real time, without any form of licensing or regulation. We're beginning to see the harms, and part of that is a legacy of the fact that anything that's technologically related, going back to the early days of the internet, has for the most part received a free pass. That's the approach of this government and Minister of AI and Innovation Evan Solomon, who appears to be an unabashed cheerleader of all things AI.

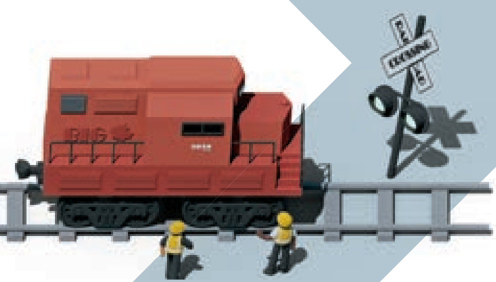
Not everything needs to orient around the economy. It should be more along the lines of, what type of seat belt should we have? Where's the brake? Who's going to be applying pressure to that brake in the interest of public safety? Because right now, it's out of control.

PHOTOGRAPHS (DIEBERT) RILEY STEWART; (BEDARD) ADRIAN WYLD/CP

TALK TO YOUR CUSTOMERS

Ron Bedard, CEO of ArcelorMittal Dofasco

WE ARE MEETING with customers coast to coast, building relationships that didn't previously exist or expanding on partnerships that were smaller. We all have to do that in a meaningful way. These are relationships from B.C. to New Brunswick. You've got to go and look people in the eyes and express that commitment to the Canadian market, and to building Canada from within. My commercial leadership team and I have been doing this from the time the tariffs were announced. We're going to work through this by leaning into the strength of our people and our company.



TERESA RESCH

Inaugural president of the WNBA's Toronto Tempo, champion of women's sports, new Canadian

Comparing my little hometown of Lakefield, Minn.—with a population of 1,400—to Toronto is night and day. We had one dentist, one lawyer, one doctor. You either lived on a farm, or your parents did.

This isn't the first time I've been president. I was president of my 4-H Club. I showed sheep at the fair. I sewed, refinished wood and did some cooking. I even did a meat-judging contest—I can pick out a great steak for you.

I'm six feet tall, so of course I played high school basketball. I love the game, but I ended up playing more volleyball, mostly because I had an incredible coach. She was such a good teacher—a real technician—so I was just better at it. It's way more fun when you know what you're doing.

We would practise for hours. We hated it at the time, but it made us good. Like all good coaches, her motivation rubbed off on us.

I studied communications but ended up changing majors to business. Plus, I joined the volleyball team as a freshman. When we hosted the NCAA finals, I met this woman whose job was something like director of championships. I thought, *That's a cool job I'd love to do.* That's the moment I turned down this path to work in sports.

I started at the Raptors in 2013. I'd known Larry Tanenbaum, one of the owners of Maple Leaf Sports & Entertainment, who was very passionate about Toronto as the 14th WNBA franchise. I was very motivated to join him—if it was something Larry believed in, it was probably going to happen.

There's never been a WNBA team in Canada, so we get to build everything from scratch. But that also means we have to build everything from scratch. We're launching a name; we're launching a logo. That's a lot of work and, like I said, nobody's done it before.

The biggest difference for me between men's and women's sports is our startup nature. The Raptors were already 20 years old when I joined, so they'd gone through those growing pains. Men's teams have been around for hundreds of years; the WNBA is only 30. We're on a different timeline of evolution.

We were awarded the team in May 2024, and our first game is in May. It's going to be historic. I need to be sure that I stay present for that moment and embrace what it means for the city, the country, the players and our community.

I'm an extreme extrovert, so I recharge by being around people. I think I'll celebrate our first game just by sharing that moment, reliving some of the highlights and chatting about it with those people who've been along for the ride.

Sports and business are very similar. When you're on a team, everyone has to be good at passing and setting and serving. The weak link can be singled out, but we don't want that. We're all stronger together.

We want people to fall in love with the Toronto Tempo. Not because of our stats, but because of our people and their stories, and the story of this team.

I'm Canadian now. I love living here so much that I became a citizen in 2022. After nearly 13 years, the longest I've lived anywhere other than Lakefield, I feel Canadian. I feel at home here. **/As told to Rosemary Counter**

NOTHING BUT NET

Sandy Brondello
The inaugural head coach of the Toronto Tempo, she won the 2024 WNBA championship with the New York Liberty

14
Number of WNBA teams

4
Canadian players in the WNBA

Kia Nurse
(Chicago Sky)

Bridget Carleton
(Minnesota Lynx)

Laeticia Amihere
(Golden State Valkyries)

Aaliyah Edwards
(Washington Mystics)

ILLUSTRATION SAM SINGH; (BRONDELLO) LINDSEY WASSON/AP PHOTO; (NURSE) CHRISTIAN PETERSEN/GETTY IMAGES; (CARLETON) TONY GUTIERREZ/AP PHOTO; (AMIHERE) ATTILA KISBENEDEK/AFP VIA GETTY IMAGES; (EDWARDS) THE CANADIAN PRESS/AP-KARL B. DEBLAKER