

# Canada's Defence Industrial Strategy and the militarization of Canadian society

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When Prime Minister Mark Carney unveiled Canada's first ever Defence Industrial Strategy (DIS) on February 17, he spoke bluntly about the aims of the Canadian ruling class. The "assumptions that shaped decades of Canadian defence and foreign policy," he declared, "have been completely upended." Canada now confronts a "more fractured and darker" world in which conflict is moving closer to home. Ottawa must ensure it is never again "hostage to the decisions of others."

The MPs responsible for the DIS, including Defence Minister David McGuinty and Minister of Industry Melanie Joly, reiterated Carney's themes in an introduction to the document, citing the NATO-instigated war in Ukraine and the global trade disruptions from the COVID-19 pandemic in particular. They noted, "Long-held assumptions have been upended—about the end of imperial conquest, the durability of peace in Europe and the resilience of old alliances. In this uncertain world, it is more important than ever that Canada possess the capacity to sustain its own defence and safeguard its own sovereignty."

The strategy translates this diagnosis into policy, marking the most far-reaching attempt in decades by the Canadian ruling class to reorganize the economy, state apparatus and labour force to equip itself as an imperialist power to participate in the violent redivision of the world that is already well underway. Its aim is to lessen the dependence of Canadian imperialism on its long-time partner in the United States amid a growing breakdown in relations between the two—as expressed in President Donald Trump's trade war measures and annexationist threats, and Canada's counter-tariffs.

The DIS codifies themes Carney advanced earlier at the World Economic Forum, where he warned of a "rupture of the world order." Trade, finance, supply chains and technology, he said, are now weapons wielded by rival powers. Canada's procurement policy, industrial investment, research funding and labour planning will be reorganized accordingly.

At the strategy's core lies a commitment to raise military spending to 5 percent of GDP by 2035, aligned with NATO demands. The DIS notes that this will be a historic level of funding. It would in fact constitute the largest sustained militarization of the Canadian economy since the Second World War.

The plan is embedded in the Carney government's 2025 federal budget—passed with the support of the New Democratic Party and Greens—which pledged \$81.8 billion in new defence spending, including \$6.6 billion dedicated specifically to implementing the industrial strategy. The Department of National Defence is considering mobilization plans for 100,000 reserve soldiers and an additional 300,000 citizen soldiers in a supplementary reserve on top of the 85,500 current full time members of the CAF.

At the same time, Canadian military officials are for the first time in a century considering the consequences of a war with the United States. The issue of whether Canada should seek to obtain nuclear weapons has also been publicly raised for the first time since the immediate aftermath of the

Second World War, with former Chief of Defence Staff, General Wayne Eyre, arguing Canada should keep that option open by developing among other things its ballistic missile capacities.

The drive to expand Canada's military-industrial complex is tied to immense capital commitments: \$290 billion in defence-related infrastructure investment and \$180 billion in domestic procurement spending by 2035. The DIS serves as a long-term blueprint for reorganizing economic life around military production, funneling billions in public funds into war even as housing, healthcare, education and social services are slashed to the bone to fund it. The Liberal government and all the opposition parties, not to mention the corporate-controlled media, argue in unison that the working class must be made to pay for these gargantuan sums.

The scale of the transformation outlined by the DIS is all encompassing. Ottawa aims to add 125,000 defence industry jobs over the next decade, more than doubling today's workforce of roughly 81,000. Entire layers of skilled labour, engineering capacity and public research funding will be redirected toward producing drones, missiles, surveillance platforms, space assets, autonomous systems, artificial intelligence (AI) and munitions for modern industrial warfare by Canadian-owned firms. In line with this approach, Unifor, the largest private sector union in Canada, has supported transforming GM's idled CAMI auto assembly plant in Ingersoll, Ontario to military production.

The Defence Industrial Strategy is organized around a set of five interlocking "pillars" to establish a permanent domestic war economy.

First, Ottawa intends to fundamentally remake its relationship with arms manufacturers. Defence firms are no longer treated as contractors competing project by project. The federal government will cultivate long-term "strategic partnerships" with companies designated essential to national security funneling billions into their coffers. The DIS defines these yet to be determined Canadian companies as "defence champions."

These firms will receive privileged access to procurement contracts, research funding, export promotion, capital investment support and government testing infrastructure. The main objective is domestic ownership and control over intellectual property, production capacity and technological know-how deemed vital for future wars. A related goal is to expand Canada's share of world trade in the war industries, with the government setting a goal of increasing export of military equipment by 50 percent by 2035.

Second, the government introduces a new procurement doctrine summarized as "Build-Partner-Buy." Canada will build weapons domestically wherever possible, partner with trusted allies when necessary and purchase abroad only as a last resort. Procurement policy is thereby transformed from a purchasing mechanism into an instrument of industrial strategy and geopolitical positioning —with reducing reliance on US military contractors a central strategic goal. The government aims to award 70 percent of defence contracts to domestic firms under the nationalist slogan "Buy Canadian."

Third, innovation policy and workforce planning are explicitly subordinated to military-security priorities. Universities, research councils and vocational programs will be aligned with military-industrial requirements through a national Defence Skills Agenda aimed at guaranteeing a continuous pipeline of engineers, technicians and skilled workers for arms production. Academic research, technological development and labour training will be integrated into the strategic planning of the armed forces.

Fourth, the strategy prioritizes securing supply chains for wartime production. Ottawa plans expanded domestic manufacturing of ammunition inputs and explosives, including the establishment of Canadian nitrocellulose production by 2029. The “problem” of ammunition shortages during the war against Russia in Ukraine was explicitly cited to justify this measure. Steel, aluminum and critical mineral sectors will be retooled to meet defence specifications, a move linked to vulnerabilities exposed by US tariffs and global supply disruptions. The DIS specifically highlights the fact that of the 12 defence-critical raw materials identified by NATO, Canada produces 10, including aluminum, gallium, germanium, graphite, and tungsten.

This pillar extends militarization well beyond weapons manufacturing into civilian life. Under the banner of ensuring a national supply of “medical countermeasures,” Ottawa plans targeted investment in biotechnology production, workforce development and stockpiling of essential pharmaceuticals coordinated with allied governments. Framed as pandemic preparedness and emergency resilience, these measures will integrate public health infrastructure into national security planning, reflecting assumptions within ruling circles that future conflicts will involve prolonged disruption, large-scale emergencies, including mass casualties overseas and on the homefront, and the need to sustain essential healthcare services under crisis conditions.

Finally, the DIS ties industrial expansion directly to Canada’s North and Arctic. Melting sea ice, new shipping routes and intensifying rivalry among the major powers—Canada, the US, the European great-powers and Russia—over territory and resources are transforming the region into a central arena of strategic competition. Shipbuilding, surveillance infrastructure and Arctic-capable systems are prioritized as instruments for asserting Canadian imperialist interests in the polar region.

The Canadian bourgeoisie has been compelled to more aggressively assert “sovereignty” over military production due to the breakdown in the decades-long military-strategic partnership with US imperialism. The American financial oligarchy’s embrace through Trump of an “American First” agenda based on Washington’s “right” to unchallenged dominance over the Western hemisphere has exacerbated conflicts between North America’s twin imperialist powers. Indeed, the very existence of the Canadian federal state is at stake, given Trump’s repeated threats to make Canada the 51st state.

The ruling class north of the border has responded by attempting to diversify economic relations and military-security ties, a tall order given that three-quarters of all exports flow to the United States and military cooperation through NATO and NORAD is extensive. Ottawa is attempting to expand cooperation with the European imperialist powers, who are themselves engaged in massive rearmament programs, and allies in the Asia-Pacific like Japan, South Korea and Australia.

However the inter-imperialist rivalries play out, what is beyond doubt is that the Canadian financial oligarchy wants to sharply escalate the exploitation of the working class at home to bear the additional costs associated with its aggressive participation in wars of plunder around the world.

The government will establish a stand-alone Defence Investment Agency (DIA) through legislation it plans to introduce this year in order to insulate decision-making about investments and the conversion of civilian to military production from any semblance of democratic control. The DIS

argues existing procurement structures are too “fragmented” and slow. The DIA will consolidate authority, accelerate contracting and align industrial policy with military objectives. It will, the document states, make the “appropriate trade-offs to serve Canada’s strategic security interests.”

In other words, decisions involving public spending, industrial priorities and consequently the jobs and livelihoods of millions of workers and their families will be subordinated to the “necessity,” as far as the bourgeoisie is concerned, of utilizing society’s resources for imperialist war.

The DIA will integrate Canadian firms into multinational procurement programs such as Security Action for Europe and Readiness2030, effectively embedding domestic industry within allied war production networks. It will also steer subsidies, research funding and procurement decisions toward the designated industrial “champions.”

Strategic sovereignty, as defined by the DIS, extends beyond manufacturing capacity to include control over intellectual property, technology platforms and supply chains.

The strategy also proposes strengthened investment screening and export controls to prevent “hostile actors” from acquiring strategic assets. Defence policy thus merges with economic nationalism and national-security regulation.

The DIS approaches labour as a strategic resource to be mobilized. Workforce shortages are identified as a central constraint on military expansion.

The government proposes coordinated training programs, immigration pathways, credential recognition systems and labour-mobility initiatives aimed at channeling workers into defence industries. The union bureaucracy is explicitly named as a partner through “sectoral alliances” linking employers, unions and industry groups.

A militarized economy cannot tolerate sustained labour disruption. Across Canada, governments have already intervened repeatedly to suppress strikes deemed “economically disruptive” in key industries including the docks, railways and the postal service. The logic of the DIS points toward further restrictions on the right to strike under the banner of national security and supply-chain resilience.

The unions’ embrace of “Team Canada” nationalism in the name of combatting Trump’s trade war provides the ideological framework for this discipline. Workers are told that the sacrifice of their jobs, living standards and even lives is necessary to defend “national sovereignty.” In reality this perspective splits them from their brothers and sisters in the working class in the United States and internationally and subordinates them to the interests of “their own” national ruling elite who profit from rearmament and war.

Hundreds of billions directed toward the militarization of Canadian society will be financed through austerity, wage “restraint” and massive cuts to public services and social supports. As far as the ruling class is concerned, healthcare systems strained to collapse, unaffordable housing and underfunded education are the price to pay for military investment and Canadian imperialism’s bid to ensure a seat at the imperialist “high table” where the bounty of global aggression and war are divvied up.

There is no meaningful opposition within the political establishment to this class war agenda. Liberals, Conservatives, New Democrats, Greens and Bloc Québécois alike endorse expanded military spending. NDP defence critic Lori Idlout welcomed the strategy while raising only technocratic concerns, declaring Canadians must make the “necessary investments” in the military.

Workers can only oppose Canadian imperialism’s rearmament for war by joining the struggle to construct a global anti-war movement. Canadian workers must unite with workers in the United States, Europe and internationally against the subordination of society to war production. This movement must be armed with a socialist and internationalist program to abolish capitalism, the root cause of imperialist war and

militarism.



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