

Trump spurs a new era of Canadian economic nationalism

MARK RENDELL
ECONOMICS REPORTER

As trade negotiations with the United States sputtered over the summer, Prime Minister Mark Carney started talking about a new, domestically oriented solution for Canada's tariff-battered industries.

"We have the potential to become our own best customer for steel, but we will lose that ability if we don't manage the profound transformation now under way in the industry," Mr. Carney said from the floor of a metal fabrication plant in Hamilton in mid-July as he unveiled a bundle of measures to keep out foreign steel and boost domestic demand for Canadian mills.

A few weeks later, he announced a support package for the lumber industry. And in early September, he outlined the pillars of Ottawa's new "comprehensive industrial strategy."

This involves \$5-billion to help companies rejig their product lines, money to re-train workers and a strict "Buy Canadian" policy for government procurement — alongside a surge in government spending on homebuilding, infrastructure and defence, with the goal of absorbing stranded Canadian metals, lumber, and auto industry parts and labour.

On the surface, this looks like a suite of emergency measures to help companies bridge a temporary loss of demand similar to those announced as the COVID-19 pandemic spread. Taken together, however, it represents a more fundamental shift in Canada's political economy.

Key Canadian industries can't sell into the U.S. market, the argument goes, perhaps the government can cultivate domestic markets to pick up the slack.

This kind of thinking was the touchstone of economic policy throughout much of Canada's history, from John A. Macdonald's National Policy in the decades after Confederation to the industrial policy experiments of Pierre Trudeau's governments in the 1970s.

|| NATIONALISM, B4

GOVERNANCE

Net-Zero Banking Alliance shuts down after losing most members

MARKET FORCES

Three pieces of investing wisdom from a personal finance legend || B12

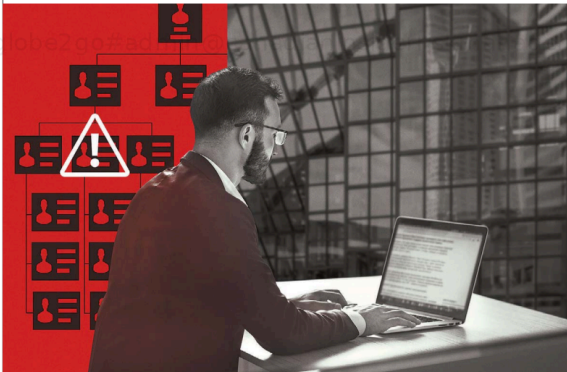
DAVID BERMAN

White House has its eye on Canada's forest stocks. You should, too || B12

COVER STORY

INSIDE JOB

As rogue employees target money and data, financial institutions reckon with how to protect their clients and operations



ALEXANDRA POSADZKI
FINANCIAL AND CYBERCRIME REPORTER

Shortly before noon on June 17, someone attempted to access banking information belonging to two Canadian prime ministers at the Royal Bank of Canada.

The person succeeded in viewing current Prime Minister Mark Carney's information, and attempted to access former prime minister Justin Trudeau's.

But the perpetrator wasn't a hacker that had wormed his way into the bank's IT systems. It was one of RBC's own employees, a 23-year-old client adviser named Ibrahim El-Hakim working out of a branch near Parliament Hill, police allege in court documents.

The employee's workstation, housed within a gleaming office tower at 99 Bank St., was under video surveillance, according to court documents.

And his activity in RBC's internal sales portal was being tracked by the bank, which monitors employees' access of customer accounts.

The allegations against Mr. El-Hakim, which have not been proven in court, are the latest example of a pervasive problem facing Canadian banks and other institutions: the threat that someone inside the organization could abuse their access to critical systems and data.

A rogue employee can do considerable damage to an organization, from committing fraud to stealing sensitive information to letting hackers into the network. Sometimes rogue employees have been recruited by organized crime groups, as police believe was the case with Mr. El-Hakim.

The repercussions for companies can be devastating. Reputational damage can ensue, as can lawsuits, financial losses and even blowback from regulators. And it's not only banks that are affected.

|| COVER STORY, B4

PHOTO ILLUSTRATION BY MARCELLE FAUCHER

Alberta pipeline proposal is rooted in pushing a thorny debate into full view

JEFFREY JONES CALGARY

Cenovus Energy Inc. chairman Alex Pourbaix knows the stakes are high as Canadians prepare to resume a deeply divisive debate over oil pipelines.

Alberta's plan to propose a pipeline to the West Coast, announced Wednesday, is not fully formed. It does not have the backing of a company to shoulder the financial risk, or even a detailed route. It has already attracted the ire of British Columbia's Premier and First Nations that have opposed previous attempts to export oil from B.C.'s North Coast.

Meanwhile, Alberta Premier Danielle Smith put the federal government on notice that the success of the initiative will be "a test of whether Canada works as

a country." Mr. Pourbaix, who was recruited into the effort two weeks ago, said it is a worthwhile attempt to break through regulatory gridlock that has led to costly project failures. A veteran of both the oil sands and pipeline industries, he is under no illusion of the difficulties the concept will face, even after Ottawa signalled an openness to new energy projects.

"There's going to be a huge amount of work that needs to take place with Indigenous communities, with other interested stakeholders," Mr. Pourbaix said in an interview. "But a journey of 1,000 steps has to start somewhere. I was happy to throw my shoulder behind the wheel to see if we can get some traction with this idea and move it forward."

He is co-leading an advisory group of industry, government,

regulatory and Indigenous leaders that the province assembled for the initiative. Alberta also enlisted three major pipeline companies, Enbridge Inc., South Bow Corp. and Trans Mountain Corp., to provide technical and regulatory expertise — though they are not putting money behind the effort.

The new proposal will test Prime Minister Mark Carney's assertions that Canada can be both a conventional and clean energy superpower. It revisits a number of thorny issues, from Alberta's aims to access more of the Asian oil market to Indigenous rights and title to national climate commitments. The oil and gas industry says the project will prove whether it can win back investors that fled after previous plans failed to launch.

|| PIPELINE, B10

A boost to OAS would help too little where it's needed, and too much where it's not

PAUL KERSHAW

OPINION

The Parliamentary Budget Officer warns federal finances are unsustainable, with the deficit climbing to \$68.5-billion this year and the debt-to-GDP ratio no longer projected to decline. Perhaps this will finally focus political attention on the biggest pressure point: Old Age Security. Poorly targeted and \$42-billion costlier than a decade ago, OAS adds more to today's deficits than dental care, child care, or defence.

Despite the red ink, the largest retiree lobby, the Canadian Association of Retired Persons (CARP), presses for billions more.

The first recommendation in its recent prebudget submission urges Ottawa to keep its "Hands Off OAS." Under the pretext of protecting financially vulnerable seniors, it recommends Ottawa extend a recent 10 per cent boost in the OAS — worth a maximum of about \$90 a year — to all seniors 65 and up, not just those over 74.

|| KERSHAW, B14

MARKETS		
▲ S&P/TSX	30,471.68	+311.09
▲ DOW	46,758.28	+238.56
▲ S&P 500	6,715.79	+0.44
▼ NASDAQ	22,780.51	-63.54
▲ DOLLAR	71.67/1.3953	+0.05/-0.0010
▲ GOLD (oz.)	US\$3,908.90	+40.80
▲ OIL (WTI)	US\$60.88	+0.40
▲ GCAN (10-YR)	3.18%	+0.01

SPORTS

BASEBALL Gausman gets the nod to start Blue Jays' playoff opener against Yankees || B16

SOCCER After seven-month absence, Whitecaps captain Gaul making up for lost time || B17

HOCKEY Oilers extend head coach Knoblauch after back-to-back Stanley Cup finals || B18



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PHOTO ILLUSTRATION BY MARCELLE FAUCHER

Incidents involving insiders have become costlier for organizations: survey

FROM B1

"Any major corporation has information that is worth money," said David Coffey, a detective in the Toronto Police Service's financial crimes unit. Police investigations involving company insiders are becoming increasingly common, Mr. Coffey said. "We often come across internal threats. It's not the norm, per se, but it's certainly not unusual."

More than 70 per cent of the 32 Canadian organizations that participated in a recent survey experienced at least one incident involving an internal threat in the past year, according to a report published earlier this month by Deloitte Canada and the Canadian Insider Risk Management Centre of Excellence. The most common insider threats ex-

perienced involved the theft of personal information, followed by the theft of intellectual property. Organizations also reported experiencing fraud, sabotage and foreign interference stemming from internal threats.

Incidents involving insiders have also become costlier for organizations, according to the Ponemon Institute's most recent annual global survey. The total average annual cost of an insider incident rose to US\$7.4-million last year, up from US\$6.2-million in 2023, according to the report from the Michigan-based research firm.

Insider threats are top of mind for Canadian banks, according to experts. The industry is discussing the issue with government agencies such as Canada's financial crime watchdog.

The Financial Transactions and Reports Analysis

Centre of Canada generates "extensive guidance and indicators" to help businesses identify the laundering of proceeds from various types of crimes, FinTRAC spokesperson Darren Gibb said in a statement.

"As part of these efforts, the Centre is working collaboratively with Canada's large banks to help combat different forms of insider abuse," Mr. Gibb added.

The financial sector "has the best insider risk management programs in Canada at the moment," said Victor Munro, executive director of the Canadian Insider Risk Management Centre of Excellence.

Over all, however, the country is lagging the United States and Australia when it comes to tackling insider threats at a systemic level, Mr. Munro said.

"What we're seeing in insider threat right now in Canada is still this reluctance to admit that organizations have been victim to insider threat attacks. So that causes a challenge, not just for the industry, but also ... to conduct research on how bad is the phenomenon in the Canadian experience," he said.

'I WOULD HAVE ASKED FOR MORE'

As is often the case, Mr. El-Hakim, who no longer works at RBC, wasn't acting alone, according to an affidavit from an RCMP officer filed in court. He'd

Nationalism: Carney argues the world has changed, so Canada must change as well

FROM B1

But it was largely shelved with the dawn of continental free trade in the late 1980s and the recognition that Canadian manufacturers needed access to big international markets to reap the benefits of specialization and long production runs.

Now we're seeing the return of economic nationalism and a kind of defensive industrial policy aimed less at creating world-beating champions and more at minimizing job losses and saving the cutlery as the house burns down. In effect, U.S. President Donald Trump's America First economic vision is pushing Canada to follow suit.

Mr. Carney argues the world has changed, so Canada must change as well.

"We're moving from an age that lasted decades, an age when free trade was a motor of global economic growth, to a new age, an age of economic nationalism and mercantilism," he said in a speech in early September at an aircraft parts factory in Mississauga.

Managing this transition, he said, means "retraining our workers, transforming our strategic sectors, creating entirely new industries and being our own best customer by buying Canadian."

But this comes with risks and trade-offs for a mid-sized, trade-oriented economy that has a spotty record with industrial policy.

Protecting domestic steel mills means higher costs for Canadian manufacturers, housing developers, and provincial and municipal infrastructure departments. Prioritizing Canadian companies in government procurement risks alienating trade partners. And subsidizing hard-hit companies risks throwing good money after bad while delaying potentially necessary economic adjustments.

There are also fundamental questions about the extent of domestic demand for industries that were built to export. You would need to build a lot more homes or navy ships in Canada to absorb even a small portion of lumber and steel that has typically gone to the U.S.

As with earlier periods of economic nationalism, the rhetoric may not ultimately match up with reality.

The government's new industrial policy is focused on a relatively narrow sliver of the economy: The industries hit by U.S. sectoral tariffs — autos, steel, aluminum and lumber — along with canola, which is being hammered by Chinese tariffs.

And for all the talk of building domestic markets and diversifying trade, Canadian resource and manufacturing companies remain overwhelmingly reliant on the massive market to the south, and Ottawa's biggest economic priority is getting relief from Mr. Trump's sectoral tariffs and the successful renewal of the North American free trade pact, the U.S.-Mexico-Canada Agreement.

Mr. Carney is set to meet Mr. Trump again on Tuesday in Washington in pursuit of a deal.

But make no mistake, Canada First economics is making a comeback. And how Mr. Carney and his team balance the tensions at the heart of this program — the desire to protect companies but promote innovation; buy Canadian but improve affordability; fortify the domestic market but pursue trade diversification — could determine how well the country navigates what he has called a "rupture" in global affairs.

"Canadians have been pretty resilient in dealing with whatever comes their way. In a high-tariff era we do the National Policy, and we do okay. In a free trade era, we get into free trade, we do okay," said Dimitry Anastakis, LR Wilson and FC Currie Chair in Canadian business history the University of Toronto.

"But no matter what, the consequences of what we're going through are going to be painful. It's not going to be good. It's going to be a pretty big adjustment."

When Ottawa announced retaliatory tariffs on American-made cars earlier this year, it took a page from the history books. Car companies importing vehicles into Canada could get a break from the counter-tariffs if they maintained a certain level of production north of the border.

This remission scheme is a clear echo of

the 1965 Auto Pact, which governed the North American auto industry for decades, and which forced the big Detroit automakers to produce one car in Canada for every car they imported into the country.

In the 1960s, the question was how to open up the U.S. market to Canadian car exports without killing Canada's branch-plant auto industry, which had emerged behind high tariff walls.

Today, policy makers face a different, but related question: How to convince U.S. and Japanese carmakers to keep building vehicles in Canada if they can't sell them into the U.S. tariff free? With 90 per cent of 1.3 million vehicles made in Canada last year heading south across the border, the stakes couldn't be higher.

Ottawa has earmarked \$2-billion for an "automotive strategy." Some of this is for emergency loans to parts makers, said Flavio Volpe, head of the Automotive Parts Manufacturers' Association. But a larger portion is there to coax the big carmakers — Ford, General Motors, Stellantis, Honda and Toyota — to retool their Canadian factories to produce cars with better domestic sales prospects.

"If we end up with a permanent tariff, if we can't figure out how to regain access for vehicles from here, could Ford find a vehicle that Canadians buy 100,000 or 150,000 of — or between Canadians and Mexicans — and then retool for that?" he said.

These aren't questions automakers or governments have had to ask for decades in North America, where auto supply chains have operated as if borders didn't exist and car manufacturers have been able to think about the continent as a single market.

So far, only GM has publicly said it's reorienting production to align more with national markets. In the spring, the company announced it was increasing production of the Chevy Silverado pickup truck at its plant in Indiana, while cutting back production of the same truck at its plant in Oshawa — from 150,000 to 100,000 a year — with plans to sell Canadian-made Silverados domestically.

Greig Mordue, ArcelorMittal Dofasco

in July. CARLOS OSORIO/REUTERS



A worker welds a plate to a steel beam at fabricator Walters Group in Hamilton in July. CARLOS OSORIO/REUTERS

been lured into a broader fraud scheme by someone on Telegram using the alias AI World, which police believe is a group linked to organized crime. The Telegram user asked him to create banking profiles and use them to obtain credit cards, which were subsequently maxed out. According to RBC's internal investigation, the total credit-card fraud amounted to \$68,500.

Banks are particularly attractive to criminals looking to place or recruit insiders, Mr. Coffey said. "Bank employees are the gatekeepers and they have a lot of potential for doing harm," he said.

In April of 2024, Toronto police made 12 arrests and laid 102 charges in connection with a synthetic-identity fraud ring that led to \$4-million of losses. One of the people charged as a result of that investigation, which police dubbed Project Deja Vu, had worked at three different banks over three years, opening accounts using synthetic identities, according to Mr. Coffey. (Synthetic identities are created by blending real details with fake ones to create false identities.)

The insider, Muced Tanveer, pleaded guilty last month to one count of theft over \$5,000, received a 16-month conditional sentence and paid \$15,000 of restitution, Mr. Coffey said.

South of the border, the U.S. Department of Justice has charged former TD Bank employees, accusing them of accepting bribes in exchange for laundering drug money and opening bank accounts. The U.S. Department of Justice's case against TD revealed that criminals routinely deposited stacks of U.S. dollars at various branches in the New York borough of Queens.

Insider threats extend to sectors beyond banks. Telecom employees can, either wittingly or unwittingly, facilitate fraud by porting a customer's phone number to a SIM card controlled by a scammer in what's known as a SIM card swap. The criminal is then able to reset passwords to the victim's e-mail, banking or other online accounts by using SMS-based two-factor authentication.

In July, hackers messaged a BBC reporter through Signal and offered to cut him in on a ransom payment if he helped them gain access to the public broadcaster's systems.

One particularly widespread insider scheme involved North Koreans posing as remote IT workers to secure jobs at more than 100 American companies. Once employed, the North Koreans only received salaries - they also gained access to sensitive company assets such as U.S. military technology and virtual currency, the U.S. Department of Justice said in June as it announced actions it had taken to dismantle the scheme.

Canadian authorities, including the RCMP, have warned companies to be on the lookout for remote workers deployed by the North Korean government, stating in a July advisory that "employing these individuals could result in legal consequences under Canadian sanctions, expose your organization to data theft and corporate espionage and indirectly contribute to North Korea's weapons of mass destruction and ballistic missile programs."

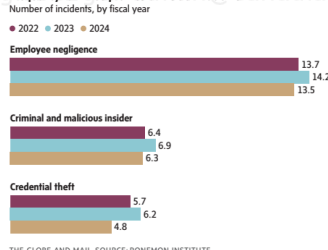
Sometimes criminals recruit insiders in person, for instance by befriending a bank teller, Mr. Coffey said. But more often it's by messaging many people online until someone bites, similar to a phishing campaign.

"Everybody's using Telegram because it's anonymous," said Chris Mathers, a former undercover RCMP officer and president of consulting and investigative firm Chris Mathers Inc.

Andrienne Bergeron, a security researcher at Montreal-based threat intelligence firm Flare Systems Inc., said a quick scan of the dark web revealed 15 threads in which threat actors were seeking insiders for jobs. Seven were specifically look-



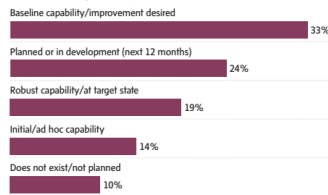
Frequency for three profiles of insider incidents



THE GLOBE AND MAIL, SOURCE: PONEMON INSTITUTE

Insider threat policy and frameworks

Does your organization have an internal policy/framework that specifically addresses insider threat, including details of riskowners, escalation pathways and incident management responsibilities?



THE GLOBE AND MAIL, SOURCE: DELOITTE CANADA

A rogue BRC employee allegedly abused his employee access by attempting to view the private banking information of Prime Minister Mark Carney.

SEAN KILPATRICK/THE CANADIAN PRESS

ing for Canadians, including within law enforcement, telecommunications and Canada Post.

For insiders, the motivations are usually financial. An employee who has developed a gambling or drug addiction and owes money to loan sharks, for instance, can more easily become compromised, Mr. Mathers said.

Mr. El-Hakim was paid \$500 each time he completed a request from AI World, police allege. In total, he received \$5,000 in payments to his accounts at Toronto-Dominion Bank and Canadian Imperial Bank of Commerce, according to court documents. (Representatives of CIBC and TD declined to comment on whether they provided information about Mr. El-Hakim's accounts to FinTRAC or law enforcement.)

To Ms. Bergeron, the payments that Mr. El-Hakim received seem low considering that the crime could not have been committed without his help.

"I would have asked for more," she joked. However, there's likely a psychological aspect at play, she added. "Maybe it normalizes the transgressions; it makes the employee feel like it's not a big crime, because it's not a big sum," she said.

Once an employee has complied with one illegal request, their past actions can be used as leverage against them, making it difficult for them to turn down future requests, she added.

The stolen data can be used to extort or scam the victim, or sold on the dark web, Ms. Bergeron said.

When foreign adversaries plant or compromise insiders within government agencies, sensitive intelligence belonging not only to Canada but also to its allies in the Five Eyes community - Canada, the United States, Britain, Australia and New Zealand - can be at stake, Mr. Munro said.

■ CONTINUED ON B6



A truck transports finished vehicles from the Stellantis plant in Windsor, Ont., in January. IAN WILLIAMS/NEW YORK TIMES

chair in advanced manufacturing policy at McMaster University and a former top executive at Toyota Canada, said this kind of pivot is tricky.

Demand for Silverados in Canada is only about 50,000 a year, he said. And it's hard to make the numbers work when you're

moving from a continental market to a much smaller Canadian one.

"A viable automotive plant is generally seen as at least 250,000 vehicles. So, you can queue the violins for Oshawa now, because it's not viable at 100,000. And I think they know that. I think the Government of

Canada knows that. And nobody wants to say it," he said.

Other auto industry experts were less pessimistic, but none downplayed the challenge automakers and their suppliers face if Canada can't negotiate more secure access to the U.S. market. Mr. Volpe and his organization are even considering the feasibility of launching a new Canadian auto company to be an anchor client for the domestic parts industry - although it would more likely aim to produce specialty vehicles for defence contracts, not a consumer car, he said.

Similar conversations are playing out in other Canadian industries that have suddenly found themselves cut off from the U.S. or Chinese market - leaving executives and policy makers scrambling to gin up domestic demand as a substitute.

In early September, Ottawa announced a \$370-million biofuel production subsidy to boost demand for Canadian canola, which has effectively been locked out of the Chinese market in response to Canadian tariffs on Chinese electric vehicles.

And it unveiled a new "Buy Canadian" procurement policy for steel and lumber. As Ottawa ramps up spending on housing and the military - with the new Build Canada Homes agency and a commitment to spend 5 per cent of gross domestic product on defence - companies bidding on government contracts will need to source lum-

ber and steel from Canadian suppliers.

Derek Nighbor, chief executive officer of the Forest Products Association of Canada, said there's an incremental opportunity to sell more lumber in Canada if home construction picks up and building codes are changed to allow for more wooden high-rises. But that would likely amount to one billion to four billion board feet in additional Canadian sales, compared to around 13 billion that's sent to the U.S. each year.

"There's no one measure that's going to offset the long-term effects or declines to our relationship and trade with the United States. It's just not easy to pivot," Mr. Nighbor said. "But we can definitely blunt the blow over time by doing some smart things domestically."

Meanwhile, there are already signs that the steel industry is starting to adjust.

Algoma Steel Group Inc., which just received a \$400-million loan from Ottawa, with another \$100-million from the Government of Ontario, said this week that it is shutting down its blast furnace earlier than planned and accelerating its rollout of electric arc furnaces, which can produce a broader range of steel products in batches and can be powered up and down to meet fluctuating demand.

And in the first hint that the government's emphasis on using Canadian steel in defence procurement might be gaining traction, Algoma signed a memorandum of understanding with Vancouver shipbuilder Seaspan ULC over the summer to "assess the feasibility" of using its steel plate in Canadian-made vessels.

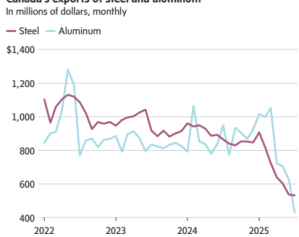
The steel industry has the hardest road ahead, having been effectively cut out of the U.S. market by Mr. Trump's 50-per-cent tariff and with few other foreign opportunities, given the glut of cheap steel in international markets.

But it's also getting the most support from the government - particularly with the tariff-rate quotas that Ottawa introduced over the summer on foreign steel imports, which has significantly restricted competition for Canadian steelmakers.

It's here the trade-offs become clearer. By limiting imports of foreign steel, Ottawa is throwing a lifeline to mills in Hamilton, Sault Ste. Marie, Ont., and elsewhere, mostly in Eastern Canada. But that's driving up costs for steel-using manufacturers, housing developers and public infrastructure departments across the country.

■ CONTINUED ON B6

Canada's exports of steel and aluminum



Note: Steel is represented by basic and semi-finished iron or steel products; aluminum is represented by unsmoothed aluminum and aluminum alloys. Data are seasonally adjusted.

THE GLOBE AND MAIL, SOURCE: STATSCAN

Canadian goods exports to U.S.



Note: Data are seasonally adjusted.

THE GLOBE AND MAIL, SOURCE: STATSCAN

■ FROM B5

One of the more prominent examples of this in Canada occurred more than a decade ago when Jeffrey Delisle, a sub-lieutenant in the Royal Canadian Navy, sold secrets to the Russians. (Mr. Delisle pleaded guilty.)

For banks, the fallout resulting from a rogue employee can be disastrous as Alana Scotchmer, a partner who specializes in financial services regulation at Gowling WLG. The reputational damage can cause a significant hit to business, while lawsuits from those harmed by the incident can be costly, she said. Breaching the Personal Information Protection and Electronic Documents Act can result in fines, and if the Office of the Superintendent of Financial Institutions becomes concerned that the bank in question isn't managing risk appropriately, it might require the company to keep more cash on hand for lawsuits and regulatory fines.

"Even when these things happen rarely, they can have huge consequences," Ms. Scotchmer said.

'UNAVOIDABLE EXPOSURE'

It's "nearly impossible" to fully eliminate insider risk, Ms. Scotchmer said.

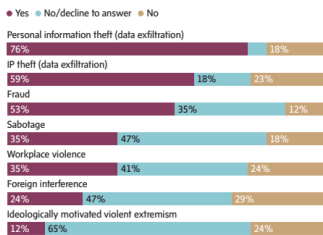
Employees will always require a certain level of access to corporate systems to do their jobs, which creates "unavoidable exposure," Mr. Munro said. Still, measures can be taken to reduce the level of risk.

Nathalie Bergeron, a spokesperson for the Canadian Bankers Association, said banks invest heavily in technology, security, employee training and privacy management programs to keep information secure.

"Safeguards are in place, in compliance with applicable privacy laws and employee rights, to mon-

Deloitte Canada survey: Have you experienced the following?

Conducted between Sept. 2024 and April 2025



The survey was completed by senior leaders in security, fraud, cybersecurity, IT, and human resources from a cross section of Canadian industries, including Canadian subsidiaries of foreign companies, public sector organizations, not-for-profit organizations and other privately held companies.

THE GLOBE AND MAIL, SOURCE: DELOITTE CANADA

Trends in how insider risks have impacted organizations

	FY2018	FY2019	FY2020	FY2021	FY2024
Total number of incidents discovered	3,269	4,458	6,803	7,343	7,868
Incidents per company	21	20.8	24.4	23.7	22.5
Average number of benchmarked organizations	156	214	278	309	349

THE GLOBE AND MAIL, SOURCE: PONEMON INSTITUTE

itor employee activity, protect against fraud and financial crime, while having robust processes to escalate any irregular activity to the appropriate authorities," Ms. Bergeron said in a statement.

"At the same time, banks continue to adapt to a rapidly changing threat landscape, using several lines of defence to safeguard their personal and financial information," she said, adding that financial institutions are working closely with one another as well as with government, regulators and law enforcement to share intelligence and combat threats.

To effectively combat the threat of rogue employees, organizations should have dedicated insider risk programs, said Mr. Munro, who is completing a PhD on insider threat mitigation at Carleton University. Some also employ technology such as user, entity and behavioural analytics, or UEBA tools, which use machine learning to identify and flag anomalous employee behaviour.

However, unlike in the U.S. and Australia, Canadian government entities aren't mandated to have dedicated insider risk programs. While the policies in those two countries apply to the public sector, the private sector has adopted them as best practices, Mr. Munro said.

Organizations can also take steps to limit the damage that could ensue from an insider attack, Mr. Coffey said. For instance, telecoms facing a flood of fraudulent SIM swap transactions introduced limits to the number of SIM card changes that an employee could facilitate.

"They made changes," Mr. Coffey said. "The banks will have to make changes, too, or else they're all going to have egg on their face."

OPEN TO WORK

Mr. El-Hakim has not yet responded to the allegations against him. However, police allege that he admitted to participating in the fraud scheme during a June 27 interview with RBC's director of security. He allegedly showed the security director his Telegram conversation with AI World and allowed him to take a photo of it, which is included in the court filing. After he'd been hired in 2022, he completed training on employee ethics and protecting personal information, according to court documents.

During a brief court appearance Wednesday, Mr. El-Hakim's lawyer, Ronald Guertin, called the RCMP investigation "rather involved," and said he is still awaiting further disclosure from the Crown. The next hearing in the case is scheduled for Nov. 5.

Mr. Guertin did not respond to a request to comment for this story.

A LinkedIn profile belonging to someone named Ibrahim El-Hakim who fits the ex-RBC employee's description indicates that he graduated from Carleton in April, 2024, with a bachelors of economics, accounting and finance.

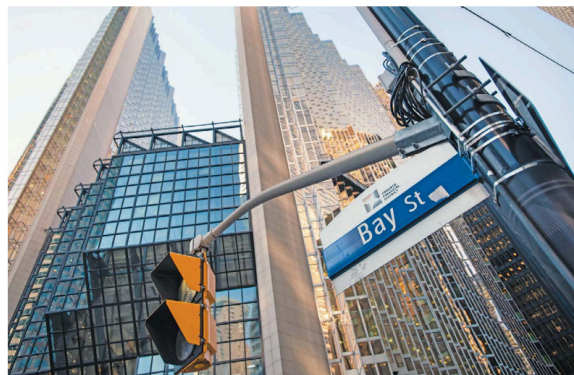
In addition to the client adviser role at RBC, the LinkedIn page lists a sales consultant position at Virgin Plus, a subsidiary of BCE Inc., starting in 2022.

BCE spokesperson Ellen Murphy said Mr. El-Hakim left Virgin in 2023, and that there are "no indications of fraud of other such issues" from his time at the company.

The LinkedIn account has a photo depicting a young man with a neat haircut and a mustache and goatee, wearing an untucked, collared grey shirt. He's standing outside, smiling, his hands in his pockets as he gazes off to the side. The photo looks to have been taken at night.

Along the bottom is LinkedIn's green banner indicating that he's open to work.

The Royal Bank of Canada's head office in Toronto's Financial District. FRED LUN/THE GLOBE AND MAIL



■ FROM B5

The Independent Contractors and Businesses Associations of British Columbia and Alberta warned in a letter to Mr. Carney last month that quotas on steel rebar are pushing up construction costs and leading to project delays.

"These measures may have been introduced in response to U.S. trade policies, but today they have become a self-inflicted economic wound that penalizes western Canadians while serving a handful of central Canadian steel producers, most of them foreign-owned," wrote Chris Gardner and Mike Martens, the presidents of ICBA British Columbia and ICBA Alberta.

Tim McManis, president at Jelsens & Jessen Metals Canada, which imports steel from Asia, said Ottawa is making a mistake by not distinguishing between different steel products with its quotas. The country may be swimming in plate and sheet metal that comes out of mills in Ontario, but the supply-and-demand dynamic is different for rebar, he said.

"Those Hamilton flat-rolled mills can't all of a sudden turn the switch and start producing long products," he said, referring to rebar. "You have to just put it and put brand new equipment in, and it takes years of implementation. It's just not a viable thing to do."

Ottawa is also walking a fine line pursu-

ing an aggressive Buy Canadian strategy while trying to develop new markets overseas and carve out opportunities for Canadian companies in European defence supply chains. Industry Minister Melanie Joy said last week that Canada would be "much more protectionist" but with an eye to remaining on good terms with the European Union, Japan and South Korea.

"Just trying to survive as a middle power in a complicated world means that you have to really be very agile with the different tools that you have," said Wolfgang Altschner, Hyman Soloway chair in business and trade law at the University of Ottawa.

"You're very nationalist on some issues; you trade very closely with friends on other issues; and you're a free-trade champion when it comes to other buckets," he said.

In many ways, what's happening today is following a familiar pattern throughout Canadian history.

The National Policy of the late 19th century, which built an east-west market using railroads and protective tariffs, happened in response to a collapse in the hope of a new reciprocal trade deal with Washington.

Then-U.S. president Richard Nixon's decision to unilaterally move off the gold standard and impose 10-per-cent tariffs on imports in 1971 helped create support for the industrial policy experiments Trudeau

governments undertook in the 1970s and early 1980s, including the Foreign Investment Review Agency and the National Energy Program.

"Historically, Canada's activist and protectionist forms of economic nationalism have often been reactive," Eric Helleiner, University Research Chair and professor of political science at the University of Waterloo, said in an e-mail.

Economic ideas also flow north across the border, he added. "We are clearly seeing both of these phenomena today. There is not just a defensive reaction to the closure of the U.S. market, but also an importation of new American ideas (from both the political left and right) about the merits of activist policies such as industrial policies."

Canada isn't following the U.S. down the path of full-blown protectionism. With a few exceptions, the high tariffs that defined 19th and 20th century Canadian economic nationalism are absent. Indeed, Mr. Carney dropped most of his countervailing duties on American goods in August in a bid to revive trade talks with Washington.

But Ottawa is reaching for a Canada First toolkit that would have been inconceivable a year ago.

Jim Stanford, the director of the Centre for Future Work, said this moment is ripe with opportunity. For decades, Canada's ability to use industrial policy to support advanced manufacturing has been constrained by international trade rules, he said. Mr. Trump's decision to rip up the rulebook has opened up new possibilities for economic policy making, he said, pointing the revival of Auto Pact-era schemes to promote Canadian auto production.

"It's obviously a response to Trump's attacks which could destroy the auto industry if we don't take powerful countermeasures, but it's also a reflection that Canada's former determination to be a boy scout in world trade is no longer ruling the roost," he said.

But there are plenty of risks as well. Rachel Samson, vice-president of research at The Institute for Research on Public Policy, just wrapped up a two-year project that looked at industrial policy. Her conclusion: There are valid reasons to use industrial policy tools, but it should be done surgically.

"Any government intervention in the economy has consequences. And so one of the things we call for is to really analyze

those very carefully. You don't want to crowd out private investment," she said.

What's happening in Canada is part of a larger global trend, and one that predates Mr. Trump's return to the White House.

In recent years, governments around the world have reached for subsidies and tax policy levers to encourage a range of private-sector outcomes, from increased investment in low-carbon technologies to more supply chain resilience since COVID-19 took hold and Russia's invasion of Ukraine.

Canada and some provinces tried their hand at this in 2022, offering some \$20-billion in subsidies to car companies to build electric vehicle battery plants in Ontario and Quebec - with mixed results. Work continues on several of the plants in Ontario, but the Quebec government lost hundreds of millions of dollars backing the failed Northvolt Batteries plant in the province.

In contrast to the EV efforts, what's striking about Ottawa's new industrial policy is just how defensive it is, said Reka Juhasz, an assistant professor of economics at the University of British Columbia and expert on industrial policy.

"Export-oriented industrial strategies have tended to perform better than inward looking ones, and that is particularly the case for an economy the size of Canada's," Prof. Juhasz said.

"If this short-term use of domestic demand to try to cushion the blow is complemented with a clearer, long-term strategy of where we want to go, that to me sounds less problematic than if this becomes the long-term strategy for the Canadian economy."

How this will all shake out in practice remains to be seen. Mr. Carney will be back in Washington next week pursuing relief from Mr. Trump's sectoral tariffs. And Canada may be able to shore up its access to the U.S. market if it can successfully renew the USMCA next year.

If this were to happen, the impetus behind the new industrial policy measures would fade, and the latest spurt of Canadian economic nationalism might dissipate into a comfortable continentalism.

But for now, it doesn't seem like that's a bet the government is willing to make. Mr. Carney spelled it out at the aerospace factory in Mississauga: "Given that we can't control what other nations do, Canada's government is focused on what we can control."



Modular home builders watch an announcement for the new federal agency Build Canada Homes, in Ottawa in September. JUSTIN TANG/THE CANADIAN PRESS