

**Remarks by David Morrison,  
Deputy Minister of Foreign Affairs  
AmbCanada Holiday Reception**

**December 3, 2025 - 9<sup>th</sup> floor LBP**

*Check against delivery*

- Thank you, Ian. And thanks to Michael, Alison and others at AmbCanada for bringing us all together this evening. Great to see familiar faces.
- Special welcome to Senator Peter Boehm, and to my predecessors as “USS”: Sy Taylor, Gaetan Lavertu, and Len Edwards.
- And a welcome to my current Deputy colleagues who have joined us tonight: Sandra McCardell and Cindy Termorshuizen, who is wrapping up a remarkable year as Sherpa for Canada’s G7 presidency!
- Rob and Chris couldn’t join us today as they’re on official duties abroad in Mexico and Asia—but I know they would have loved to be here with us tonight.
- Now, before diving in, I will take advantage of my time at the podium to give a little plug for the Government of Canada Workplace Charitable Campaign -- a campaign I know you are all familiar with. In fact, many of you have been leaders in GCWCC contributions during your careers.
- There is a table at the entrance with details on how you can continue to contribute to the campaign as retirees.
- One (very enjoyable) way to give would be by joining us at the upcoming GAC Gala at the end of January. This is always a great event and will be another chance to see each other and reconnect with the many friends and former colleagues from the wider Global Affairs community.

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- It’s the fourth year in a row that I have the privilege of addressing you at this function.

- And each time I've struggled to try to convey to you just how rapidly the world is changing, how much it has changed since we last met, and, frankly, just how crazy things have become!
- One year I used the term "polycrisis". Another time I borrowed from the Wizard of Oz and said: "We're not in Kansas anymore".
- But I'm afraid that, this year, I've run out of metaphors. I'm not even going to try!
- Instead, in a fashion with which, as former Heads of Mission and senior leaders in this Department, many of you out there would be very familiar, I am going to respond to the awkward question of "how are things are going" by asserting that *everything is just FINE, thank you very much.*
- Nothing to see here! In fact, I'd say we've had a *pretty smooth* year here at Global Affairs Canada" (!).
  - I mean, sure, there's a new administration in the U.S. and the world we've counted on for decades has been turned completely on its head. But, you know, stuff happens.
  - And sure, our closest friend and ally began the year talking about making us the 51<sup>st</sup> State. But, you know, whatever.
  - Yes, we've had to engineer rapid pivots in our relations with China, India and others. But a bit of whiplash can be healthy (or so I'm told!).
  - Sure, we've had two governmental transitions, a set of entirely new ministers (four of them), our budget is being reduced by 15% and we are on the verge of downsizing. But, as my mother would have said, these kinds of challenges "build character".
- So, I want to assure you that, aside from these minor bothers, 2025 has been *perfectly* normal!
- Other "perfectly normal" parts of the year:
  - our once every-seven-years Presidency of the G7, including a remarkably successful Summit in Kananaskis;

- strong support for Ukraine and a historic commitment to dramatically increased defense spending;
- recognition of Palestinian statehood
- landmark new agreements with Europe, the UK, Indonesia and others
- I could go on, but you get the picture: nothing terribly special about 2025.
- (Except of course the bags under the eyes of many colleagues, and the still slightly shell-shocked atmosphere both here at HQ and at our missions around the world!

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- More seriously, the past 12 months have been exhilarating – if a little bit exhausting – for all of us here at Global Affairs.
- To give a bit more context:
- The Prime Minister has said we're at a hinge moment in history.
- I personally think it is useful to go back as far as the 1930s when searching for a time where so much of Canada's future seemed up for grabs.
- In the 1930s, the world was going through a period of systemic change driven by new powers asserting themselves (e.g. Japan, resurgent Germany), great power rivalries, and new technologies and industries shifting the balance of power. The same is true today.
- There are, of course, limits to this comparison – and I am manifestly not predicting that the current period will end as the 1930s did.
- But I do think that in both periods it's useful to look at the structural forces in play.
- In the case of today, it is clear that the *system* dominated by a single power has come to an end.
- And while the U.S. continues to be active internationally (e.g. Gaza and Ukraine), its priorities have shifted away from pursuing its interests via a worldwide web of alliances and partnerships.

- Fundamental shifts in economic weight mean the G7, which once accounted for 1/3 of the global economy will soon be less than 25%.
- And then there are national security concerns. In the United States, the share of exports subject to various measures related to national security rose from 12% in 2021 to 63% in 2025. For imports, the shift is even more pronounced: from 20% to 99%.
- And, make no mistake, the current mix of policies, around the world, is imposing costs.
  - Global growth is slowing. Our workers in car factories in Southern Ontario or steel plants in Quebec are acutely feeling the pain.
  - Vulnerabilities are increasing, particularly in fragile states.
    - Traditional donors, including Canada, are reducing ODA amid shifting domestic priorities and fiscal pressures.
    - Crisis responses are fragmented and the humanitarian system is overstretched.
    - And the U.S. has withdrawn from critical areas, like global health, and there is simply no other country that can fill that gap.
- In summary, we are witnessing a strategic withdrawal of the United States, with no major actor able to replace them.
  - Even though the United States acts as a mediator in certain conflicts—whose lasting outcomes remain to be seen—the U.S. remains primarily driven by its own interests. This is its sovereign right, but it means that no one is managing the “system.”
  - As emerging great powers now engage in strategic competition with the United States, to quote the Prime Minister, middle powers like Canada must compete to defend their interests and attract attention—knowing that if they are not at the table, they are on the menu.
- If you’d like a quick take on some of this, and on what it’s like to be a middle power in today’s world, I would recommend to all of you a short article by the FT

columnist Martin Wolf called “A world with two predatory superpowers” (published Sept 30).

- The bottom line is that these structural forces at play can sound daunting, even overwhelming at times.

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- So, the question becomes, what is needed as we face this hinge moment in history?
- Personally, I believe even if things eventually become more stable and predictable with the U.S..., there is no going back to how things were.
- It’s clear that under this government, the era of incremental adjustments is over for Canada: the domestic agenda is now the driver of our international efforts, and decisiveness and risk-taking must be the order of the day.
- Government’s expectation is that all ministers now act as economic ministers.
- You’ve seen the series of new policy announcements, including an extraordinarily ambitious new trade diversification strategy.
- To support this, “economic diplomacy” will be core to this department’s future, at the interface of geoeconomics, economic security, global markets, and more traditional diplomacy.
- This is why we’ve been moving decisively on some key files, including India and China, where pragmatism and a careful balancing of interests will pave the way forward.
- More broadly: you will see much more activity – PM, MINA, others – focused on Europe, Indo Pacific and the Gulf in the coming period.
- You will also see much more attention to the Arctic.
- Some of you out there will be wondering about other regions or countries of the world.
- Rest assured these will not be forgotten. But, as with any significant undertaking, one does need to start somewhere.

- And hovering above all of this will be the review of CUSMA slated to begin in 2026.

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- What does all this mean for Global Affairs Canada?
- Fundamentally, it means a degree of focus, and a need for speed, the likes of which most of us have never experienced.
- This is why, at the end of the summer, my DM colleagues and I wrote to all HOMs worldwide, highlighting the PM's 7 key missions, and their implications for all of us, especially in two key areas:
  - economic diplomacy and trade diversification
  - measures across all of our domains to increase Canada's strategic autonomy.
- These new orientations are reshaping almost everything we do:
  - The Geneva UN team, which has traditionally focused on the Human Rights Council, has been directed to pay much more attention to the International Telecommunications Union, where rules are being written (e.g. satellites) that will affect Canada's future prosperity and national security.
  - In Vienna, the team has – for years – closely tracked the International Atomic Energy Agency (IAEA), particularly on sensitive files like DPRK and Iran (JCPOA). Yet the same organization will shape the regulatory environment for Small Modular Reactors, where Canada stands a chance of emerging as a global leader – and so this is a new focus of attention.
  - And globally, we have a generational opportunity to ensure our international assistance is fully aligned with the government's broader economic and security priorities.
- I could go on, but you get the picture: One GAC – not “trade GAC” and “foreign policy GAC” and “development GAC”, and “consular GAC” – One GAC, with multiple tools, fully aligned behind a clear set of priorities.
- An outcome of this, to which I am personally committed, will be more empowered Heads of Mission around the world. “HOM as CEO” has been talked about for more

than a decade. I intend to make it a reality – or much more of a reality – in the coming year.

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- Before closing, allow me to address an elephant in the room: the fact that we are meant to accomplish all of the above at the same time as we implement a 15% budget cut.
- For those of you who were around in the 2010s, this is roughly double what we were expected to do during the Deficit Reduction Action Plan or DRAP.
- This is on top of an earlier 3%, as well as 15% cuts to travel and professional services.
- There is no way to sugar coat what is coming. But I am 100% confident the department is up to the challenge.
- The Transformation Agenda, about which I have spoken in past years, has already simplified our systems, strengthened our culture and improved our ability to act quickly and decisively.
- As a leadership team, my colleagues and I are focusing on the 85% of resources that will remain, and what we need to do to deliver for Canada at this moment of extraordinary challenge.
- And let me tell you what we are NOT doing:
  - We are ***not*** imposing a haircut on all branches. Instead, we are stopping lower priority programs and reducing others.
  - We are ***not*** stopping recruitment of junior officers or rolling back our commitment to a workforce that reflects the diversity of which all Canadians are justifiably proud. (In fact, in the coming days, we will be launching a foreign service recruitment process and expect to hire at least thirty new FS-01s in the coming year.)
  - We are ***not*** giving up on our valuable work to seriously “up our policy game” – to ensure that this Department is better connected to thought leaders in Canada and the wider world.

- And we are **not** abandoning our integration of new technologies, including AI, into our core business lines, to increase our efficiency give colleagues around the world more time to focus on where they can add the most value.

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- It's not about doing more with less, but about doing less—and doing it exceptionally well. The implementation of the Transformation has prepared us for this.
- The period ahead will be demanding, but it's an exciting time to advance Canadian diplomacy at Global Affairs Canada.
- This is the moment for bold ideas and well-considered risks that can shape the future of our country and leave a lasting legacy.

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- Finally, I'd like to end, as I have in previous years, in saying a sincere thanks to all of you. Thank you for your service and for your ongoing commitment to Canada and this department.
- And, in that same spirit, I invite you to raise a glass to your successors as HOMs. They have inherited your legacies and, as we gather here today, at this very moment, they are representing Canada proudly and defending our interests around the world.