

**The Honorable Bill Blair  
Defense Minister for Canada**

**Kirsten Hillman  
Canadian Ambassador to the United States**

**Defense Writers Group  
Project for Media and National Security  
George Washington School of Media and Public Affairs**

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**Moderator:** I want to welcome everyone to a wonderful discussion today. We are honored to have The Honorable Bill Blair, Defense Minister of Canada. And we're also fortunate to have Ambassador Kirsten Hillman with us as well, Canada's Ambassador to the United States.

The ground rules are the same as always. We're on the record. You can record for accuracy of quotes but there's no rebroadcast of audio or video.

I will invite the Minister to make some opening comments. Four or five of you emailed in advance to be on the questions list. We'll have time to go around the table for the full hour that we have here.

Once again, Mr. Minister, we're honored to have you. The floor is yours, sir.

**Minister Blair:** First of all, thank you all for joining us here today. And thanks, Thom, for making this possible. It's a great opportunity for me to meet with the Defense Writers Group. I very much appreciate the opportunity to speak to you all and to speak to your readership and listenership about some of the global issues that all of our nations are experiencing.

As I mentioned, I was previously a police chief, and I was always grateful for that. The media enabled us to communicate I think hopefully clearly with people and some of the challenges, the security challenges we're facing are things that I would like to have an opportunity to discuss with you about.

Earlier today, as you're probably aware, I had the opportunity to go to the Pentagon and meet with US Secretary of Defense

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Lloyd Austin. I would say at the outset, first of all, I think Secretary Austin is an extraordinary leader. I have been inspired and well informed by his leadership on a number of important issues in NATO, in NORAD, in particularly in support of Ukraine because he has led the Ukrainian Defense Contact Group.

It's also important for me to acknowledge, Canada has no closer friend and ally than the United States. Our history, our future, our values, the safety and security of our people are deeply intertwined, and working together and collaboratively in a number of fora including NATO and particularly NORAD are things that I think emphasize that we share a very similar vision in how to meet the defense and security challenges of today, and that we see great purpose and strength in our unity and working together.

Some of the challenges that we're facing that I'll be happy to speak about, the world's changing. It's changing rapidly. We've seen the rules-based international order being challenged by countries like Russia in their illegal invasion of Ukraine. Frankly, I think for many years we have relied on the rules that we've all agreed to over the past 80 years to keep the nations and the globe safe, but those rules are now being significantly challenged.

We're also seeing in our country the impact of climate change. What is occurring in our Far North is that our Arctic is warming at four times the global rate which is causing our Arctic to become far more accessible. And we are seeing some of the more assertive and even aggressive actions of potential adversaries who are leaning forward in the Arctic. We're also seeing with the advent of new technologies, that area is also I think facing new challenges and potentially new threats and it really does demand that we respond in an appropriate way.

With respect to Ukraine, and you may have some questions with respect to that. Canada has so far committed about 14 billion dollars in aid to Ukraine. One of the big challenges I face is -- and some of the things we've done, first of all, is we've been involved since 2015 with the original invasion of Ukraine by Russia. We began to train Ukrainian Air Forces first of all in Ukraine. In 2022 when Russia invaded yet again we moved some of that training out of country but it's also still taking place in the United Kingdom and in Canada and in other places in

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Europe. And we've also been alongside our allies in the Ukraine Defense Contact Group, both multilaterally and bilaterally providing support to Ukraine. We believe that is part of our collective responsibility to defend the rules. Canada also supports Ukraine's eventual ascension into NATO and we're continuing to work through our allies.

And I'd be remiss if I didn't acknowledge, one of the challenges we face is Canada does not have a domestic supply or even ready access to the production of some of the things that Ukraine needs. We're investing pretty significantly in munitions production, for example, not domestically. But one of the things that has been necessary and that Canada has been doing for the past year is we've entered into an MOU, for example, with the Czechs to deliver ammunition, artillery ammunition, in particular 155 ammunition more quickly to Ukraine.

It was also just recently announced that the Germans have put together a consortium to expedite the acquisition of air defense missiles. So we just recently announced a fairly significant contribution to that consortium. Part of that is in direct response to Austin's leadership. We met last week, and he was very clear about how important and urgent that need is and urged us all to do what is required.

The last thing, they gave me a long list here and I want to get to your questions so I won't belabor it. But we've also just recently presented our new Defense Policy Update. We call it Our North Strong and Free. And I think there are some very significant things in that Defense Policy Update.

Let me point to first of all, I think the principles that underly that Defense Policy Update, we recognize that with the changing environment and climate and the actions of our adversaries in technology, the threats against North America, our continental security, defense and sovereignty of our respective nations has become a significant priority for us. And so under this new defense policy Canada has turned its attention very clearly to meeting those obligations. To meet the moment. To make the investments that are necessary to be stronger at home. To be stronger in our Far North.

We have a number of critically important partnerships, NORAD Being the one most obvious for our north. We've already announced nearly a 40 billion dollar investment in NORAD

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modernization including the implementation and development of over-the-horizon radar capability.

But we've tended to acknowledge that in this defense policy we've got to do more. We've got to do more around the world. But to be stronger for your allies you have to be strong at home. So we're making pretty significant new investments in our own continental defense. We're going to deploy our people more persistently in the north. We're building up new capabilities. We've been investing in aircraft, in fighter aircraft, transport, support planes. We're investing in AWACS and submarine hunter planes. We're also making a very significant investment in our Navy, much of which is articulated in the defense policy update.

One of the things that I also need to respond to, this will actually bring our total defense spending up to approximately 1.76 percent of GDP. It's also, for me, our defense budget will increase next year over this year by 27 percent. Those are necessary and I think totally justified expenditures, but it does not yet get us to, I want to be very frank, does not yet get us to our commitment of meeting the two percent of GDP. That's a commitment we made to NATO but I think it's also a commitment we made to all of our allies who are investing in not just NATO but continental and global defense.

But we've tried to also indicate in our Defense Policy Update, and I'll be happy to chat with you and answer any questions you may have, we know there are other things in addition to what we've already articulated, and I think we've got a long list of things, of capabilities, investments in infrastructure that we know we have to make and are now fully funded under this Defense Policy Update.

But we've tried to identify as well some of the other things that we must do. For example, I have no choice. We have to replace our aging submarine fleet. We have to make investments in undersea capabilities. We know we have responsibilities -- both continental and globally -- to invest in integrated air and missile defense systems.

There are some very significant investments that are not yet fully funded under our budget. One of the things I have to deal with in Canada is we can't put anything in the document and say we're going to do it until I have the money for it. So we've

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now -- we're making a very significant investment, almost 10 billion dollars cash, on a cash basis over the next five years and over 100 billion dollars over the next 20. But we've also clearly acknowledged there are other things not yet fully funded that Canada must do, and we have begun the work with our allies and alone. But we have done the work to now begin to advance those conversations.

I've got some work to do and we're doing that work now in identifying what our Navy's requirements are, for example, for underwater surveillance. I had a conversation earlier today with Secretary of Defense Austin about some work that we have to do together, collaboratively, to create an integrated air and missile defense for North America.

Building up those capabilities must inevitably take us over two percent. But I have the responsibility and something we're working on to be able to articulate to our allies that this is what we must do and this is the direction we are going in. But I believe the Defense Policy Update that we just released, I hope that our allies can see a strong commitment for a significant upward trajectory in defense spending by Canada. I think we are investing in the things that are both necessary and I'm hoping that our allies agree. Generally in all my conversations with them, they can see the work that is being done and I think we have strong support for the work that is being done. I also have strong support for the work that also needs to be done in the future. So we've had those discussions.

Finally, we know through our investments in modernization, through our investments in R&D, new DPU, we are moving strongly I think forward, but at the same time it's going to be absolutely critical that we maintain a strong alignment with our closest allies and for whom we have always relied on for leadership, and that's our relationship obviously with the United States. That's why the visit today with Secretary Austin was so important for us. I shared with him a vision of Canada's defense policy. We talked about maintaining the strong alignment that has to exist between us.

The work that we do particularly for NORAD, and I think NORAD is one of the most extraordinary examples for any country in the world on how bilaterally two countries can come together with a shared commitment to work collaboratively together, to stay on the same page, and to meet the moment. Because the challenges

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facing the continent have evolved I think for a very long time. Canada, at least, I think we relied on the benefits of our geography. We were surrounded by three oceans, one of which was mostly frozen. And we shared a border with our closest ally. Sometimes that relationship feels like friends and family to us.

But the world is changing and we recognize that Canada has to respond in concert with our allies and change with it. So we've got a lot of work to do, but I think we're on the right path to do it.

I'll conclude there, Thom, because I've spoken enough. I'll happily turn to any questions.

**Moderator:** Mr. Minister, that was an incredibly thorough tour of the risk horizon. I would love to dominate the hour with questions but my mother, blessed memory, taught me how to be a good host. One, I'm glad you have lunch. I'll talk slowly so you can eat a little bit. And I'll also go straight to the floor for questions from my friends and colleagues.

The first is Demetri Sevastopulo from the Financial Times.

**DWG:** Two questions. One on Ukraine, and one on [inaudible].

How do you feel about French President Macron's view that the West -- he's opened the idea of putting Western troops on the ground in Ukraine.

Second of all on the South China Sea, since President Biden and President Xi met in San Francisco, the Pentagon says there have been no risky and coercive aerial intercepts of American spy planes over the South China Sea. Have you seen risky or coercive or dangerous intercepts over the last six months?

**Minister Blair:** If I may, first of all turning -- I'll just speak to the latter. Canada has joined the United States and other allies in, for example, sending our ships to transit through the Taiwan Strait. We do that because I think it's necessary to show strength and unity in standing up for really important principles, that rules-based order that I spoke of earlier.

The freedom of travel through international waterways I think is an important principle to stand for. So we have, and we'll

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continue to send our ships through the Taiwan Strait. We have also experienced some unfortunate and dangerous behavior with intercepts of our aircraft and our vessels. Some of the actions were deeply concerning to us.

For example, the Peoples Republic of China fighter pilots releasing chaff in front of our helicopters. That's dangerous. And we've conveyed through diplomatic channels our concerns with respect to that.

We will continue to work in concert. It is not our intention to be provocative in the region. It's solely our intention to stand up the rules, the way things should be, and to stand with our allies. I think it's very important that we've done this with the United States. I've heard from a number of other European countries who are close allies who want to join in that initiative as well. So I think it's important for the world to demonstrate unity in our support.

**DWG:** And on President Macron?

**Minister Blair:** I actually was -- February 28<sup>th</sup> President Macron convened a meeting at the Palace Elysee. I was present at that meeting and we had a number of discussions about what needs to be done by all of the allies who are deeply concerned about Russian aggression in the region. There have been a number of I think important discussions on ways we can work more collaboratively together. There's also I think important -- there are so many different initiatives, and I think there really needs to be an alignment [inaudible]. We have, for example, each of us, bilaterally and even multilaterally, have been providing support for Ukraine.

As I said, Canada was previously in Ukraine doing training there. We've found other less provocative ways, but to continue with that training and continue with those supports. As Canada said, as I said at the time, we are open to continuing to evolve our support and presence for Ukraine, but at the right time and under the right conditions. And one of the things we want to make sure is that we can provide training support and munitions and timely support to Ukraine.

Sometimes distance can be a challenge, but one of the things that has been proposed by the Secretary General of NATO, for example, and it originally came I think from an idea that was

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originated with the American allies, is the formation of a UN Mission for Ukraine. This wouldn't necessarily be situated in Ukraine, but would provide all of those supports.

I listened very respectfully to the position being advanced by France, but we're also listening to concerns being expressed by other of our European allies with respect to our posture. I think we just have to continue to work together to find the right way to support Ukraine in a timely way, and we're working to do that.

Each of us individually but I think collectively, I think that's our true [inaudible].

**DWG:** Are you not ruling out the possibility of putting troops on Ukrainian [soil]?

And on the South China Sea, have any of the dangerous incidents that you've talked about, have any of those occurred since President Biden met with President Xi in San Francisco?

**Minister Blair:** I don't know the precise timing, and perhaps one of my people can get that. I think it has been more than six months since we last traversed through the South China Sea and the Taiwan Strait, and so the incidents that I referred to precede that conversation. I guess we will watch carefully as to what happens in the future, but nothing recent,.

And let me be very clear, the conditions, in my opinion, are not yet appropriate to deploy Canadian troops in any capacity into Ukraine as it pertains to their combat assault. We are present in Ukraine providing, for example, assistance to our consulate and force protection for the personnel that we have provided there. But I need to be very cautious about doing anything that would implicate our militaries in the combat zone. And at the same time, we're always exploring with the Ukrainians and with our allies ways in which we can be more effective in our support, particularly around training.

As I mentioned, Canada has been involved actually in the training of about 40,000 Ukrainians. We've heard very clearly from them how important that training is. And it's not just support for combat, but for engineering, for medical services. There's a wide range of things that we have been doing with the Ukrainians. Not just us, by the way. We do that very much in



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partnership with our allies. So we're always looking for ways to deliver that in a more timely way.

But at the same time, I do not believe that the conditions in Ukraine are appropriate for changing our existing posture at this time, but we're always open to finding new and effective ways to support Ukraine.

**Moderator:** Courtney Kube of NBC is next.

**DWG:** Thank you very much for making time for us.

Could you just tell us what the Canadian view is of what's going on on the ground in Ukraine right now? We're watching Kharkiv. It doesn't look very good for the Ukrainians there, but what's your assessment of what's going on?

**Minister Blair:** I think support for Ukraine, support for our support for Ukraine -- Canada's support -- remains strong right across the country. Canada has a very substantial Ukrainian-Canadian population. About 1.6 million Canadians describe their ancestry as Ukrainian. We've also taken in a lot of refugees from that country most recently. So they're being well-integrated into our country and I think there's a broad large support among Canadians that continue to support Ukraine. Not just because of our relationship with Ukraine, but we also recognize that in many respects Ukraine is fighting for all of us. They're defending that rules-based order. They're proving that might does not make right. And we believe very strongly that our support for them is also support for global peace and that rules-based order that we have all relied on to maintain global peace.

So I would share with you that there is I think strong consensus right across Canada for those supports. It's the most popular announcement I ever made as a Minister of Defense when we're making investments in Ukraine. I think Canadians recognize that's important and they support it.

Having said that, we're also seeing, sometimes, the impact of misinformation and disinformation. There's other advocacy and other interference. People sometimes will question that. But our resolve, our commitment to Ukraine remains steadfast and strong.

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**DWG:** I guess I mean more about what's happening on the ground in Ukraine. So we hear from US officials here. Some are openly calling it a war of inches. Stalemated in some places. I was wondering if the Canadian Ministry agrees.

**Minister Blair:** Just in the past week I've spoken to the Minister of Defense, Rustem Omerov. Two weeks ago I had a conversation with President Zelenskyy. We are well briefed on the challenges on the battlefield. We're seeing just in the past 24-48 hours additional aggression in the Kharkiv region as you mentioned, and some encroachment on the boundaries. We are also very mindful of some of the challenges Ukraine is facing. The Russians have been able to I think just through mass -- people and munitions -- have been able to lean very heavily on them. They have shared with us a sense of urgency that they need support and they need it quickly.

We've all made many announcements and commitments. We've got to deliver. That's the challenge. That's one of the reasons we're working so hard to find innovative ways to deliver on those promises. Just two areas in particular the Ukrainians have been very clear on is that they need more [inaudible] ammunition so there's been a number of initiatives taken by the NATO alliance, [with the Czechs] for example. I entered into an MOU [inaudible] with the Czechs so that I could quickly acquire munitions that they're able to obtain faster than I am able to do through my own procurement processes.

Last week Boris Pistorius who is the Minister of Defense for Germany came to Canada. They've instituted a new consortium because what we heard very clearly is the need for air missile defense. I think the Ukrainians have been very clear on this. The Russians are now attacking critical infrastructure, particularly energy protection and innocent civilians in their country. So they have said to us they need that.

One of the challenges I've got in Canada is I don't have a lot of industry or existing stocks of air missile defense. We sent what we had, but the Germans have now provided us with an opportunity. So I just committed \$76 million to their initiative because they've said that they can acquire the air missile defense systems and munitions that Ukraine needs and deliver them within a couple of months.

I think we're all seized by urgency.

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**Moderator:** Chris Gordon of Air and Space Forces Magazine.

**DWG:** Thank you for doing this.

A senior US defense official spoke to the Pentagon Press Corps last week to say DoD was very pleased with future defense plans regarding NORAD, the defense modernization plan [inaudible] American capabilities.

What does that mean to the Canadian side? And what capabilities do you offer that are unique in Canada that helps with the burden on NORAD?

**Minister Blair:** Just as an example, for NORAD modernization, one of its cornerstone and earliest priorities is the establishment of over-the-horizon radar capability across the entire North American continent. Right now we have, and we've had in place for almost 80 years, a DEW Line that gives us some situational awareness in the Far North, but it is not comprehensive.

Two years ago there was a Chinese surveillance balloon that came over our territory.

**DWG:** We're aware of that. [Laughter].

**Minister Blair:** Me too.

**Moderator:** We had a Defense Writers Group canceled 40 minutes before we were to sit down with the Commander of NORTHCOM --

**DWG:** Because of the balloon.

**Moderator:** Three hours later Courtney had the story on the air.

**DWG:** Don't cancel on a hungry journalist. [Laughter]. I was hangry.

**Minister Blair:** Okay, I'm telling you something of which you are already quite familiar. We need to really up our game, and over-the-horizon radar will give us that view. Domain awareness right across North American.

One of the challenges I face is -- well, it's not a challenge.

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One of my responsibilities is one of those sites, actually two I think, will have to be located in Canada. So we've made commitments on getting that delivered. We are working really closely, too, because I'm integrated, fully committed to the system. It requires I think consensus and agreement on what we're going to build. One of the things I'm working on is where we're going to build it. I've got limited choices. We're going to get that done.

And in getting that done -- first of all it's going to provide us with far better understanding of what's out there. But having domain awareness is critically important. But that's not the end of the job by any stretch of the imagination. It really does require that we invest very significantly in new capabilities.

One of the things I've heard, and I've had a number of conversations with both our defense colleagues but also with some of my political colleagues in the United States, and the expectation that -- Canada actually shares the largest maritime border with Russia than any country in the world. I've got nearly a quarter of a million kilometers of coastal space. It's my responsibility, in partnership with the United States, to defend that.

What we've seen, as I already mentioned, the threat environment's been changing in our Far North. For a very long time we relied on the strength of our NORAD alliance but also geography, to keep us safe from our adversaries. But the Arctic's becoming far more accessible now. And we anticipate that if climate change continues on its current pace by 2050 the Arctic Ocean could be the main route of transit between Europe and Asia.

The Russians have 17 deep water ports on that ocean. I don't have what I require.

So there is a great deal of work that needs to be done between Alaska and Norway and a great deal of that responsibility is Canada's. So I am absolutely committed and it was clearly articulated in our defense policy update, that we're going to step into that space. I need to create new northern support hubs. I need to be able to fly the new fighter jets that we're acquiring into that space to fulfill my responsibilities to keep it safe.

With that new domain awareness we'll require a robust ability to respond to any threat that comes that way. I've got a lot of work to do and I've made commitments to the United States that we're going to step up into that space. I want the Canadian Armed Forces to be persistently present in the north. I think even defending our own sovereignty requires more than occasionally flying a plane overhead or going by in the water when the ice is out.

We need infrastructure. That's what our own country and our allies are telling us. We need to invest in infrastructure, and that means airport runways and hangars. It means highways. It means fiberoptic communications. It means investment in infrastructure like power plants and water treatment plans so that we can deploy, train and be persistently present in the north and it's going to require pretty significant investments in new capabilities to enable us to properly defend that territory which is becoming more accessible.

**Ambassador Hillman:** Can I just add? I think what's really interesting conceptually about the work that we're doing on NORAD modernization and how it is being built upon in the defense policy update that the Minister has been setting out is that it is the physical infrastructure that's required to have the presence up north that is challenging in such a vast space with so few people. And there are very few countries, and we are one of them, that has the experience of being up there and having citizens living up there. So that is I think a value proposition that we can bring to the Canada-US relationship that is unique to us because of our shared geography and because of our folks who are living up there.

But it is [inaudible] and it's coupling that with very high tech and sort of cutting edge technology. So over-the-horizon radar, we've got satellite communication technology that is coming in. We've got areas in, I don't know if I can get them all right. There are other people who can probably be more articulate on this. But making sure that the domain awareness that we have in that region of the world isn't just using older traditional methods, but using our space capabilities, using our satellite capabilities, using our abilities in cyber technologies to do everything we need to do there. So it's mirroring the traditional, and where Canada also I think is often a leader is in some of the cyber and space tech contributions that we link

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to the Canada, US and allied space.

**Moderator:** Thank you.

It's interesting, some of the people around the table know that I am obsessed with the concept of climate security as national security. And it's something that's entering the mainstream I think in a really positive way. So thank you both for talking about that.

**DWG:** I just wanted to, a tangible new capability we've seen is NORAD's cloud control [inaudible]. So how well is that working in practice? It's relatively new.

**Minister Blair:** It is, but I think it's well underway.

One of the things, and I have with me the Chief of our Communication Security Establishment with us today. One of the places where I think Canada has actually led in providing a great deal of expertise and support to all of our allies, particularly in the Five Eyes relationship, is on the issue around cybersecurity, dealing with cyber threats, and even leaning more forward. We're investing pretty significantly in the Defense Policy Update in creation of a new cyber force which we believe is absolutely necessary.

The threat environment, I think again historically we've thought of it particularly from land, air and sea. But at the same time what we're seeing particularly within, the Ambassador mentioned space. Increasingly concerning about the potential fragility of our reliance on certain space-enabled technologies. We need to be able to be simply more resilient.

We're also investing in some things with respect to, it's not just over-the-horizon, but it's also undersea. So one of the big investments that you'll see in this defense policy is undersea surveillance capabilities, particularly around putting sensors in our increasingly accessible Arctic Ocean.

**Moderator:** Next is Vanessa Mantalbano with Inside Defense.

**DWG:** Thank you so much. I appreciate you doing this.

I wanted to pull the needle a little bit more on the over-the-horizon radar. How many of these is Canada planning to build?

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What is the timeline for really shuffling out this capability to be operational? And then also any ideas on which companies would be building those capabilities?

**Minister Blair:** You'll forgive me, I have the benefit of some good expertise at the table. Bill, do you want to weigh in on that? And I know Pete would probably -- but he's not here.

**Moderator:** We like expertise.

**Deputy Minister Matthews:** Bill Matthews. I'm the Deputy Minister of National Defense.

A couple of quick points. The commitments by [our] Prime Minister and Biden [inaudible] for IOC. That remains the target.

Definitely NORAD is joint, so it makes a lot of sense from a military perspectives to have the same technology on both sides of the border. So the US is doing some work to confirm the solution we're pursuing, and we are in lockstep with them on that solution. Early days, though, and people will work through whatever they need to do on the budgeting/costing perspective.

On the sites, [inaudible] there's four in total that have [inaudible]. We've acquired the land for three of the four, and we're working on the fourth.

**DWG:** One more follow-up, we've spoken a lot about the Arctic right now. Is Canada planning to develop any capabilities specific to that region? And what might that look like.

**Minister Blair:** The answer is overwhelmingly yes. We really require a buildup of our infrastructure and more persistently our people in the region. So there are some very significant investments we're going to have to make.

First of all, I think it's a real opportunity. I need infrastructure in the north. I have some, but it's no longer fit for the purpose that we're going to require of it so we've got to make some fairly significant investments in what we call northern support hubs. But additionally, I want to be able to deploy and train members of the Canadian Armed Forces and our allies in the north.

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I would also share with you, I haven't mentioned it before, with the advent of Finland and Sweden into NATO there is now a remarkable coalition being developed of Arctic countries with Finland, Sweden, Norway, Denmark, Iceland, the United States and ourselves. I think there is inevitably an important focus that will have to take place within NATO on our northern frontier and our western frontier, and it really -- I think it's a great opportunity for us. I've already had discussions with my Nordic colleagues about creating symmetry and interoperability between us. Frankly, an integrated system of defense among the NATO allies is really important. And that really builds upon the commitment we've made to NORAD.

As the Deputy Minister mentioned, we know we've got significant investments to make. Interestingly enough, the first investments will be in the south of Canada. There's actually an appropriate place to locate over-the-horizon both transmission and receiving facilities which is all in the southern part of Canada. But we know we're going to have to build a new deep water port accessibility as the oceans become more available. I need to significantly increase, with the deployment of some of the new aircraft that we are acquiring, the fighter aircraft, multi-mission aircraft, search and rescue facilities, a new AWACS capability. I need to be able to not just send them to the north, but to work out of the north.

**Moderator:** Zaach Rosenberg of Janes.

**DWG:** Thank you.

Mr. Blair, there's some tension between the need for money and the considerable investments that you've announced in recent months. I'm wondering how much of the money for that is secured? How much money for that have you secured? And how do you intend to protect those investments or the planned investments against the constant churn in Ottawa to attempt to lessen the defense budget?

**Minister Blair:** First of all, all the money that we've articulated in the Defense Policy Update is secured. Those are commitments that our government, our finance department have made. That funding is secure. Quite frankly, I couldn't publish, I can't just publish my aspirations in a document. So the way in which we do business is we actually book the money. The spending is secure.



I'd share with you one of the great challenges that every defense minister shares, one is getting money and the other is spending money. I know that sounds a little bit counterintuitive, but it's not. I think we have to demonstrate that we are able to spend money well, and that we can produce real value. A public interest value in every investment that we make in defense, that is the challenge. Because what we see is the longer some of these procurements take, the more inflation will impact our costs. And sometimes that can be very challenging, and then I would have to go back and ask for even more money.

So it's really important that we start the work now and get well underway with beginning the hard work that is necessary and appropriate to support these procurements.

There are additional investments that we have to make. I've got to make the case. That's our job, is to identify the things that we must do. I've already talked about underwater surveillance for example, submarines. And there are other capabilities as well. I've got to replace an aging tank fleet, and as well integrated air and missile defense. Those are potentially very expensive challenges.

Again, the way our system of government works is I've got to be able to go to government and articulate a strong plan to achieve these capabilities. I've got to make the explanation of why they are necessary. But once that is done, then I remain confident that these are investments we have to make. They're investments we will make. But I've got to make sure that I do the work necessary so the Canadians can have confidence this is what is both required and this is what it will cost to do this.

**DWG:** A quick follow-up.

You mentioned the confidence that it brings Canadians. I'm wondering how close you might become to eventually meeting the NATO recommended two percent investment.

**Minister Blair:** As I said, one of the challenges -- just going and making an explanation given the current fiscal environment in both of our countries. Given the current fiscal environment, there are very significant investments that our citizens want us to make as do yours. Issues around affordability, housing,

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healthcare, childcare, dental care, farmer care. For us these are all very significant and important investments that Canadians want us to invest in. But we've been working very hard to also explain to our population the need to invest in defense.

I think a secure country is also a prosperous country. I think you've got to invest in defense and we've got to be able to provide our industries and our citizens with the confidence that our supply chains will be secure, that we will be able to maintain a secure environment.

I will tell you, back when I was a police chief I used to make the case for my budgets by making my city the safest in North America, also therefore the best place to invest, the best place to live, the best place to attract a great workforce. So I think that's our job as well.

So we've been making that case. One I can share with you is just over the past eight or nine months, we have seen a near doubling in Canadian support for defense spending because we've been making the case that defense spending is directly tied to prosperity in our country. I think that's the job, is to make sure that we make those explanations and argument, but at the same time then deliver on it so when Canadians make that commitment, then the job is to continue to show that their investment in national defense is a good investment, and that there's a real return on that investment. In part it's because it also creates jobs. Our national shipbuilding strategy is literally creating tens of thousands of jobs as we're building a new combat fleet of ships. And at the same time by creating a more secure, predictable safe environment that we are responding to the threats facing not just us but our allies as well, and that we're doing our part. I think that's the right way to approach this thing.

And the job, by the way, is never done. When I first got this job Lloyd Austin called me and he said you now have the hardest job in government. But he also told me I had the best job in government. And he was absolutely right. Being able to make that case to my country and to my government, that's a pretty good job.

**Ambassador Hillman:** I'm going to let the Minister have a bit of your delicious desert.

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I'd also say one of the ways in which Canada seeks also to contribute to the defense of ourselves and our allies is through putting some focus on strategic vulnerabilities that we have as Canada, as the United States, as allies, in vital goods that are essential for defense production.

So Canada happens to be blessed with a vast store of critical minerals which are used in batter technology and semiconductors, but there are many, many applications in the defense sector. And we are, through a very concerted and deliberate process over the last four years, have identified of these minerals that we have, we've mapped them out ourselves but also in consultation with the US, to say okay, what is the contribution that we can make based on our most pressing strategic needs? Where should we be scaling up production? Where should we be thinking about [process] so that we aren't completely dependent on, for at least a few of these, on [processing] that is happening in China, for example.

So there is a sort of an energy and natural resources policy that we are bringing forward as a country that becomes very much a part of our defense policy and also becomes very much part of our energy transition policy, right? Energy security, environmental security, national security -- the lines between the three these days, at least for us, are not hard and fast. They really are mutually supportive domestic and international objectives.

**Moderator:** Thank you.

Your comment that being the Defense Minister is the hardest job but the best. Before you arrived I told your staff that being a Pentagon correspondent is the hardest beat in town, but also the best.

From Shogun News, [Anri Hikka].

**DWG:** Thank you for taking my question.

I understand that you have a long history of cooperation with East Asian countries.

**Minister Blair:** Yes.

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**DWG:** From [inaudible] with most Korean illegal ship [inaudible]. How do you see the other cooperation, future cooperation with those [inaudible]. As you [know] now, North Korean [inaudible] Russia to strength, and there's a tension in Taiwan Strait. How do you see Taiwan Strait? How do you rate the situation in Taiwan?

**Minister Blair:** First of all, I agree with you and I'm glad you noted that we have, Canada has a long history of good collaboration and cooperation with both Japan and Korea, but we also recognize that frankly, Canada's involvement in the Indo-Pacific has been historically episodic. We would send ships occasionally into the region.

What we heard, because we began through our own Indo-Pacific strategy, to really look at Canada actually creating much stronger bones with the entire Indo-Pacific region of course including Japan and Korea.

In order to do that one of the things on the defense side is we felt that we really had to be stronger and more persistently present in the region. So I have, for example, been sending my ships into the Indo-Pacific. We've transited now the Taiwanese Strait a number of times and we're going to continue to do so.

We also are building our relationships. I can tell you, I had some very, very helpful discussions with the officials from both Korea and Japan. I think there are great opportunities for us to strengthen the bonds between us. We have been close friends and allies for a very long time but I think there's much more that we can do.

Again, we share values and we see among our adversaries, particularly you mentioned North Korea and Russia. North Korea is supplying arms to Russia. We believe many of those are being brought to and applied in Ukraine. That is concerning to us but it just reminds us that the best way to counter that is to increase our own strength in the region, and that's through our bilateral and multilateral relationships with the entire Indo-Pacific and with specific very helpful allies.

**Moderator:** I saw some hands. If you can identify yourself please.

**DWG:** Aaron Mehta with Breaking Defense.

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You mentioned the submarines early on, and one of the criticisms that's come out from the review is the fact that for the submarines it says you want to explore how to go ahead with that, and there wasn't more concrete kind of laying out of that. [Inaudible] industries also said they feel like they'd hoped to see something more concrete.

I guess I'm wondering how you respond to that and if you can provide kind of a clearer timetable to folks who say hey, maybe they're being wishy-washy about it.

**Minister Blair:** It's certainly not my intention to be wishy-washy. What I tried to articulate very, very clearly and strongly in the document is we know we have to replace our submarine fleet and we're going to do that. There's some work to do.

First of all, I have articulated in this document what I clearly have completely funded right now. But we also wanted to be clear to our allies in particular that we know we've got to do more in certain areas and the work has not yet got us to the point where I can secure that funding. But it is necessary. It is, I might suggest, inevitable. I was trying to be very clear.

The word explore, a number of commenters have mentioned that is not a very clear and powerful word and I regret that. But at the same time what I was trying to signal and what I'm happy to share with you today is we recognize we've got some work to do. There are a number of options available to us but they are limited in the range. I heard very clearly from my own Navy what they require for underwater surveillance, but we've got some work to do in both determining what our requirements are, what choices are available within the market, and we're beginning those processes right away. And then once we've done that work I'll be in a much stronger position to go back to my own gg saying we now have a very clear path to this new capability acquisition and then seek the funding for it.

So I used the word explore simply to say I recognize I have the work to do. We're doing the work. We've already begun it. And to be very clear to my own government but also to our allies that I understand we have to have that capability. We're going to invest in that capability. We've just not yet made a determination of exactly how that will be done.

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When the question arose when we introduced the DPU the Prime Minister was asked about submarines. He opined that there are still a number of range of options that we are examining, and we are. But at the same time I think we're getting greater focus now on what is required. We're also discussing with our allies, and the United States perhaps most importantly, but with our European allies as well and with the Indo-Pacific countries. I think there are real opportunities for greater collaboration with others on this. So we're pursuing those discussions as well.

I'm pretty confident. We will get to a determination of a path forward on underwater surveillance submarines. Just as an example, and I think those decisions inevitably take us to the two percent.

**DWG:** Just to clarify, when you say collaboration you mean with [mega block] buy with another country that's buying something? Or --

**Minister Blair:** There are a number of different approaches and I'll share with you, for example I met last week with the German Defense Minister and he brought to me a letter signed by both him and our Norwegian counterpart. They're interested in working collaboratively with Canada on a number of different options across a broad range of defense capabilities that also included underwater surveillance. Frankly, I'm pleased that we're hearing from many others as well.

We see great strength in collaboration. These are big expenditures for any country and we do not want to be investing in sort of a zombie fleet or a [inaudible] fleet for our submarines. We need to be able to be, to the extent possible, connected and interoperable with allies.

We all have a shared mission, those of us who are close and aligned, and finding the best way for us collectively to achieve that mission is really in our interest.

**DWG:** Do you have a timetable of when you want to have that deal presented to government, saying this is, we're ready to move forward?

**Minister Blair:** You'll forgive me. I can't get too far ahead

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of presenting anything to government. I have a sense of urgency around this. I think we need -- one of the things we're hearing from our armed forces but also hearing from industry, they need the clarity and certainty of direction and then commitment. So I hope in the DPU I provided them with direction and I'm working hard on getting the commitment.

**DWG:** Rob Gramer with Foreign Policy Magazine.

You mentioned you were investing in munitions production domestically for Ukraine but also for your own needs. Can you give us some specifics, some examples on what Canada's doing there, beyond just its [inaudible] to the Czech Munitions Consortiums? Standing up factories for 155 munitions, for example?

Then I'm also just curious in your reaction to the news that the Russian Defense Minister's sacking and his replacement. What do you think Shoigu's legacy will be? What do you think the new Minister could mean for the Russian war effort?

**Minister Blair:** A couple of things. First of all, to be very clear our engagement with the Czech Munitions Consortium was a response to an urgent need that Ukraine expressed. It was the quickest way we could get things delivered. I think what they need and when they need it have to be urgent considerations, so that's useful.

One of the things that Canada and many of our allies have faced is ramping up to appropriate levels of munitions production and production in all sorts of other capabilities as well.

But if I might give you an example with respect to munitions productions. We have two factories right now in Canada that make 155 ammunition and another facility which produces the propellant they use.

But what we've heard in our discussions from them is they're going to require new production lines and the securing of new supply chains in order to make the investment that will significantly increase their production. In the DPU we've identified money -- we heard, they said we need you to invest in our new production lines, and we've identified 300 million dollars. So there's some discussion right now with who and how. I don't want to get too far ahead, but we're going to invest in

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Canadian production.

The other thing they said they needed from us was the certainty of long-term contracts. I've had the same discussion with our European allies. Their industry said in order for them to make this commitment to increasing production they need to know that there will be a buyer. So we also included in the DPU just under ten billion dollars committed in this document to signing those long-term contracts with our munitions producers.

Right now our own stocks within the Canadian Armed Forces are woefully inadequate. I've got to get them back up to the NATO standard. But additionally, our responsibilities to our deployment in Latvia, our responsibilities to continue to support Ukraine really requires that we build up domestic capacity.

I've made the statement in my own country, production is preparation. It's one of the reasons I've tried to make this -- I published the Defense Policy Update, but respectfully, it's also industrial policy. And I've gone back to industry. They were very strong in their advocacy about what they needed. I hope I've been able to show them I was listening to you, I heard you, this is what you said you needed and we're delivering on it and now we need you to deliver.

**DWG:** And the question on Russia?

**Minister Blair:** Quite frankly, I think Russia's illegal invasion of Ukraine and the way in which they have prosecuted that invasion, I think there is a great deal to criticize there. The targeting particularly of innocent civilians. It's one thing to focus on the battlefields. It's another thing to focus on the population. It's a concern.

Frankly, I don't personally have a great deal of confidence in whoever Putin may put in charge of that, but we're going to continue to stand with Ukraine. We're going to continue to support them as they defend their sovereign territory and their citizens.

Frankly, I've not been given strong indication that the changes that Putin is putting in place is going to in any way change their efforts to prosecute this conflict, but at the same time we'll respond as is required. And if there's a change in



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tactics then we'll evolve our support.

**Moderator:** We're pushing the five minute mark. We have time for another question or two from this end of the table.

**DWG:** Bryant Harris with Defense News.

I wanted to follow up on the munitions issue. You mentioned part of this is expanding supply chain capacity, so at the risk of getting too far in the weeds I'm wondering specifically where in the supply chain whether critical minerals or something else, you need to expand to make that happen.

**Minister Blair:** One of the things that we've witnessed. The Ambassador has already made reference to this and I think quite appropriately. It's a conversation I've also raised with our NATO allies and this morning with Secretary Austin. I think we have all become overly reliant on a single country as the source of much of the critical minerals and processing of critical minerals. There are 31 identified critical minerals.

One of the things that I'm really struck by is those critical minerals are used in all elements of our economy and our production, but for defense, some of them are frankly quite essential.

My concern, given the global uncertainty, some of the very aggressive actions of China, we've identified China as a very adversarial country in many respects. Relying on them, and frankly, I'd just sort of share with you, we have gone to school on what much of Europe and in particular the Germans had to do to wean themselves from dependence on Russian energy. I think we have an increasing dependence on Chinese critical minerals. We've got to also -- certainly in my country, we have actually a lot of those assets in the ground but we have to extract them and we have to process them.

So I see that as one of the responsibilities of my country is to step up for our allies and to create reliable sources of those critical minerals.

It's particularly acute, in my opinion, in the defense industry. We rely on aluminum and titanium for the planes we're building and putting in the air. Tungsten is an essential mineral for the production of munitions because of its hardness. Cobalt.

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Rare earth minerals. All of the very technical systems that we are developing have a disproportionate reliance on minerals which are not entirely at the present time secured under our control and so I think we have a responsibility to sort of step into that space. I see it very much as a national defense issue, but it's also something I believe Canada can be helpful to our allies by actually creating a reliable source of some of those critical minerals and if we work very closely with our allies we can secure broadly what we need in the future and we won't be potentially disadvantaged by an adversary.

**Moderator:** One last quick question, please.

**DWG:** [Inaudible] of Politico.

When you come back to town in July for the NATO Summit what is going to be your message to NATO allies in why haven't you reached two percent yet, and why in the new defense plan there still isn't a pathway to hitting two percent? You may be close, but you're not quite there yet.

**Minister Blair:** I'm getting close. I said to some of my own people, I deal with a lot of critics who say the glass is half empty. I've got it up to 88 percent full. We're working hard to get there.

I think there is a clear path and I'm hoping that when we return to Washington for the July summit that we'll be able to reassure our allies that Canada understands its obligations, we're working to meet those obligations. I think we have a very clear articulation of a path of a strong upward trajectory in defense spending. A very strong upward trajectory in defense spending. We also acknowledge as honestly as we can, even beyond that commitment that we're making in this DPU, there's more to do. We're going to do more. We have to do more. Frankly, Canada can't go without replacing its submarine fleet. If we're going to meet our NORAD obligations we really have to think long and hard about investments for integrated air and missile defense as an example.

We know that there are other investments beyond the existing published document that we're going to have to do and I want to be able to assure our allies we're doing the work now. We've still got our head down, we're still going hard on this. We know there's more to do. We have every intention and we are

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going to do more. And I hope, and I think that all of our allies have said they're working hard to either meet that goal or exceed that goal and I want to be able to assure them, so are we. And because of -- I can't announce I'll be somewhere until I book the money, booking the money requires that I do a lot more work and we're doing that work now.

**Moderator:** Thank you.

Mr. Minister, Madame Ambassador, it's been a terrific discussion. Thorough, thoughtful and thought-provoking as well. So thank you for your time today.

**Minister Blair:** I appreciate it.

**Ambassador Hillman:** Thank you very much.

**Moderator:** Good luck with your important mission.

Thanks, everybody for coming and for your great questions.

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