

Innovation must be applied to all elements of business:

- to human resource development;
- to marketing;
- to inventory control;
- to building partnerships, joint ventures and collaborations in research and development; and
- to finding new ways of raising investment, and leveraging that investment.

I could continue talking about the successes of the aerospace industry in Canada. Take Bell Helicopter Textron's plant in Mirabel. President Lloyd Shoppa tells the story about how he was showing the new plant to a delegation from Mitsui. A senior executive turned to him and said: "You know, we are very impressed by the factory here. We don't have anything like it in Japan."

Let's face it, we could list success stories like these all day. But we did not come here to pat one another on the back.

The industry faces some major challenges. We're here to see what can be done to address them.

I know that you're worried about the continuing climate for investment. I know you're worried about the climate of competition in the worldwide aerospace industry.

Well so am I. And later today I will have an opportunity to sit down with your Board and talk about some of your specific concerns. I am particularly looking forward to our discussion about:

- government share of contributions to the Defence Industry Productivity Program (DIPP) program;
- federal defence procurements budgets;
- scientific research and experimental development tax credit applications; and
- developing innovative financing policies.

At the outset, I can say that we agree on certain basic values and ideas when it comes to these topics. We both agree, for example, that the industry itself bears the lion's share of the