

Thank you for your kind introduction, and thank you, ladies and gentlemen for this opportunity to add my own observations to the theme of this year's annual general meeting: "Innovation: Key to Prosperity."

I would like to speak about the role of innovation in your industry. And I would also like to enlist your support for an initiative designed to promote innovation throughout the Canadian economy, and prosperity for all Canadians.

The aerospace industry in Canada is no stranger to innovation. Your ability to develop and incorporate technology into new designs has been a key to your competitiveness. And any industry that sells \$6 billion worth of equipment every year is a significant contributor to the overall competitiveness of Canada's overall economy.

With some 70 per cent of your total sales as exports, you are more aware than any other industry that Canada is heavily reliant on trade. For this reason you are very familiar with the rigours of competition in the global marketplace.

Your product development capability is recognized around the world. It is a reputation that together we have worked very hard to achieve.

Independent product development undertaken by Canadian firms, government-supported research and development (R&D), aggressive technology-transfer programs, and the skills and expertise of Canadian engineers and managers have all contributed to an industry that employs 64,000 Canadians.

You have been among Canada's foremost exponents of advanced manufacturing technologies. Your use of modern manufacturing systems and methods to lower production costs has set an example for other sectors to follow.

We don't have to travel very far from here to see the evidence of your innovation. The Pratt and Whitney Canada plant at Aerotech Park, which I will be visiting later today, is as advanced a facility as any in the world. It has state-of-the art components for machining turbines uses CAD/CAM and other leading-edge technologies.

Application of new technology is not the only way in which companies are innovating. They are also finding innovative ways to empower their employees. It is found in the way in which the company has embraced the total quality management concepts that your organization and my department helped to promote. It is found in the creative interchange between the company and the training facilities at the Technical University of Nova Scotia.

Innovation means much more than technology. It means more than creative uses of capital.