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Discussion

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Discussion After The Speech of J.D. Fleck

QUESTION, Professor King: One question, or one of several, that hits me is in the vertical relationship; that is, the consumer and the supplier, that and some of the other techniques you quoted from Japanese sources. I think the Japanese have used the vertical tie-in between the supplier and the automobile parts companies. I think the concern is that if you integrate units, you get larger and larger units. When you have a number of sources of supply, and the automotive companies are demanding bigger suppliers, what is going to happen to small business? Are you going to destroy the yeast that has brought the United States and Canada to the levels of production that they have?

ANSWER, Mr. Fleck: Well, you have covered a fair bit of territory there. I don't see it as just being modeled in Japan. In fact, in Japan the suppliers, while working very closely and often being tied to one particular customer, are much more captive than we would have in this country. They usually aren't involved in a major leading way in the design process. What the American auto makers seem to be attempting is to place a much higher responsibility for the design on to the supplier.

Another reason, in addition to offloading or fixed cost, is they also eventually want to get their suppliers involved in the warranty side of business. They recognize that there is no hope of doing that unless the supplier has a fair bit of the responsibility on the design side. Obviously the supplier will say "how can I warrant something that I haven't designed?"

In terms of small companies, I think there will always be smaller supplier companies. We know that in North America the tremendous growth in jobs has essentially been in the smaller size units. A lot of the growth is from the offloading or subcontracting by the major companies. That will still happen. Also, in our company, and many other companies, the individual production units are kept quite small. The total company might be large, but the individual plants would have no more than 300 to 400 people. Furthermore, you try to develop management systems where the person that is running that plant is as close to an entrepreneur as possible, so that one still tries to get many of the benefits of the smaller firm. The smaller firm will not die. The entrepreneur spirit will still live.

COMMENT, Professor King: Having been with an auto parts supplier for a considerable part of my career, when I saw this integration and the stimulus due to the supplier taking the lead, I spotted it as a warning because it means a responsibility.

COMMENT, Mr. Fleck: It does worry some of us who are suppliers.

QUESTION, Professor King: It is a new ballgame. One question that occurred to me is that this assumes you can shift and mobilize forces quite freely. Can you do this in a union situation? Is this going to cause a problem or do you have to undergo a whole new re-education program?

ANSWER, Mr. Fleck: Well, as a Canadian, it is tough for me to talk about union flexibility. Canadian unions, in particular the auto workers, are often much less flexible than American unions. My feeling is that if that flexibility doesn't come, forces will roll through it. Those will be the plants that won't survive.

It is an increasingly tough world out there and these forces are very strong. The United States has greater capacity, if it wants to try to, to be isolationists and protectionists. But even in the United States, the trading volumes are now sufficiently large in relation to GNP. I think it is adapt or perish. That may be putting it too strongly, but I do think it is the case.

QUESTION, Mr. O'Grady: Is there any way that this message could be delivered to the unions? I don't have the impression that they are spending a lot of time studying these kinds of ideas at the moment.

ANSWER, Mr. Fleck: It is coming. A chap at Harvard, Bruce Scott, has written extensively on American competitiveness. He has spent a fair bit of time with the AFL/CIO, as well as with people in business roundtable and the industrial community. The level of understanding is increasing and, certainly in the United States, you have had much more adaptability than we have had in Canada. I think the message is getting through.

In Canada they now have something called the Steel Conference which is a combination of steel companies and steel unions, whose main purpose is to lobby the government. In their preparatory work for lobbying the government, an education process goes on among the people involved. Also within labor unions, the knowledge and education process are increasing. The problem sometimes is how then to get that across to the workers. Because the steel people are in political organizations, and the companies not quite as much so, the workers have got to get elected; and even sometimes when they, themselves, become convinced, they have a tough selling job if they want to stay in their offices. It's that additional pressure that makes it tough.

COMMENT, Mr. Edwards: Related to that, you might mention that in Toledo, the Chrysler plant union, UAW, and Ford have, as part of their labor contract, set aside a certain amount of money per hour for educational purposes. Contracts have been made by the unions with the University of Toledo to provide training at the plant site during off-period times for the workers in the use of computers.

QUESTION, Mr. Miller: Mr. Fleck, isn't your knowledgeable

worker a sort of a superman or superwoman; that is to say, does your concept involve some kind of quantum leap forward in intellectual capacity and emotional capacity?

ANSWER, Mr. Fleck: I don't see it that way. I mean, I see all sorts of gradations and certainly you have those quantum leap people, but with many people the learning process can be gradual in terms of new equipment that comes in and learning how to use it. The educational process is ongoing and continual and you will have differing degrees of success. Of course, the jobs, themselves, will have different degrees of necessity as to how many of those skills you need to have.

I see the process more as a trend. I don't see it as sort of a sharp discontinuity where one day the work is manual labor and the next day it is program writing. I see it as more gradual.

QUESTION, Mr. Herran-Lima: I think one of the implications of what you say is, in fact, that corporate managers should concentrate very much on long-range planning. I was wondering how would that effect the operation of capital markets? Let's say the focus of a financial manager is on quite short-term returns in order to get the funds necessary for capital expansion. Would you comment on that? How would you see the operation of the capital market changing in response to this?

ANSWER, Mr. Fleck: Well, again that would be partly an educational process. If the people that are investing came to understand, and believe, that these were essential characteristics of a firm that is going to survive, then they might be somewhat more forgiving in the short-term. The important thing is to show that the lower profits were really the result of investing in longer-term projects, rather than just mismanagement of the assets on a short-term basis. So it is all a part of the educational process. Certainly the charge has been made that the North American financial market is too concerned about short-term results. I think there is some substance to that.

On the other hand, the firm in North America has readier access to capital than in many other areas. Although in Japan it is said that one of the reasons for their success sometimes is that they are able to get funding on a lower actual cost basis, because they are able to finance with debt. It is a friendly debt that doesn't pull the plug as quickly as it might in this country and that gives the Japanese an additional advantage as well. However, the nature of the financial markets can be part of the problem and it is, again, an educational process that has to take place there. If the company is successful enough, it will be generating a high proportion of funds itself and will not be dependent upon the financial market.

QUESTION, Mr. Stone: Could you relate what you have been saying to the implications of the proposed Trade Agreement for Canada and the United States? It seems that what the Trade Agreement will accom-

plish, if it succeeds, is quite a few of the things that you have said are needed.

ANSWER, Mr. Fleck: The Agreement would achieve it for Canada. In the United States, the scale might be sufficiently large at this time that it would be possible. The necessity for the United States is less than it is for Canada. For Canada, I think that the bilateral Trade Agreement is essential to enable Canadian firms to compete in this way.

One of my feelings about Canada is that if a Canadian firm can't compete with an American firm, it is going to be out of business anyway, because the real competition is coming offshore in many of these areas. In terms of the segregation of the labor forces, countries such as ours have to be in this more knowledge-intensive, capital-intensive area in order to survive. You just can't compete. There is no way we want to bring our standard of living down to that of the worker in Taiwan, so it's key. All of the things are supported by a bilateral trading arrangement.

Now, the other side of that, from Canada's point of view, is that if the United States really does act protectionist over any sustained period, which I think is wrong, I would still rather be inside the walls than outside the walls, just because of our high dependence on the United States from a trade point of view.

QUESTION, Mr. Feltham: I wonder if you could reflect a little more on the question that Mr. Herran-Lima raised a moment ago. I think in your response you tended to focus on the capital margin, because that was the way the question was raised. Let's focus for a moment, if you will, on the mind-set of the manager. Many of the companies, like the one with which I'm associated, for example, focus very much on short-terms results, quarter by quarter and even on a smaller time frame than that in terms of the measurement of the management's performance. I think I see a dilemma here.

Who is going to educate the stock market? We can't afford to take the risk of attempting to do that, at least during a short time frame, because the availability of capital to us—if we are going to the market for new capital—depends on the perception of the investor. The stock market prices determine how much it costs us to bring in new capital. I have heard this debate around General Electric for the thirteen years that I have been there and I don't think anybody is any closer to a solution than they were the day I became immersed in that outfit. The chairman is still saying, "I hear you, but I don't want to hear you. I just want those results month by month by month, and you figure out how to generate the capital. Generate the cash to make those investments that are implied by your program at the same time." What is the bigger picture?

ANSWER, Mr. Fleck: If you and all of the resources at General Electric have been debating this for thirteen years without an answer, do you really expect that I'm going to give it to you in the next few seconds? Now, what is happening in General Electric and many other companies

is that they have been sorting through their portfolio of businesses. They have certain businesses, more mature ones, that can generate the profits. Then there's sort of a judicious balance of the flows from those units and investments into other ones that you hope are going to be the stars of tomorrow.

COMMENT, Mr. Feltham: Focusing on our own country, we don't have the same flexibility in most companies to do just what you have very perceptually expressed in a company the size of GE.

COMMENT, Mr. Fleck: My suggestion has been to stay private. Even though there are reasons to go public, our assessment has been that it would be much more difficult to do the things that we want to do if we were a public company that was concerned about the quarter-by-quarter profits.

I, along with your colleagues, do not have an easy answer. My feeling is that the imperatives of the situation will bring some change in those expectations. If companies focus too much on the short term, they are just not going to survive and that is no surprise to you either.

QUESTION, Mr. Veillette: Mr. Fleck, I assume that you suffer the same pressures as Nordson to become a higher quality, lower cost producer—which is a short-run type of pressure—as well as to come up with a newer and better product—which is an R&D effort. I am interested to know what you foresee for Fleck Manufacturing for the next five years on your R&D efforts given the short-run pressures that you have.

ANSWER, Mr. Fleck: Well, we are not that big; this year we will do close to \$150 million in Canadian funds. Part of our focus has been driven by our customers. Certainly our primary focus is quality and the saying "quality is not a cost, but a benefit" seems to be working for us. With the primary focus on quality, a lot of the other things, fortunately, fall out of the process.

In the earlier days we were always known as a reasonably high-quality company, but we were in an industry where you did not get paid for quality. The first product we made was just a piece of wire with a plug that you sold to a lamp manufacturer. You could talk with great eloquence to the fellow that was buying those cords and he was most sympathetic and he agreed with you; but if you were 1/100 of a penny more per cord than the next guy, tough luck. He was just trying to put pressure on the next fellow.

That has changed dramatically as we have gotten into the higher end of the appliance, copier, and automobile businesses. Of course, the products become more complex and quality is imperative. Now, at least, you are starting to get paid for it. Companies that don't have that high quality get closed out, so you really reduce the number of competitors in that sense. Then you may be able to collect a little more, but you will see your costs go down. At least that's what we are finding.

On the R&D side, we talk a better game than we actually perform.

We are trying to put more resources into it. We supply Xerox. They had 3800 suppliers when we started and went down to 300. We survived the cut, but a lot of folks didn't. So it's a tough situation and you keep very focused and you don't let up for one minute. The whole level of competition has risen. I mean, it was a much more complacent existence ten to fifteen years ago in our business than it is now. We are running hard everyday.

QUESTION, Mr. Aretz: What kind of training programs do you engage in at your company not just for management, but for staff and line people. Also, if you do engage in a large scale operation, how much difficulty do you have with employee retention after you invest a lot of money in the employee?

ANSWER, Mr. Fleck: We are located largely in smaller communities where there isn't quite as much mobility. We try to do a lot of on-the-job training. A lot of what we are talking about is trend and aspiration. We aren't there yet. We are moving in that direction and we are very conscious of where we are trying to get to, but it is in the earlier stages.

We are still a highly labor-intensive company, but the labor-intensive parts are now in Mexico. The parts that remain in Canada, and that we hope to develop, will be for parts that require more than just the manual dexterity-type work. We try to identify areas where we think we need to improve.

Of course, there are training programs associated with any new equipment. People come in from the supplier, or we send our people down and they spend a considerable amount of time in the plant of the supplier, before the equipment even comes. There are a whole range of activities. It is more important that we are focusing on it, are aware of it, and trying to move in that direction rather than focusing on the specific programs that we have at this time.

QUESTION, Mr. Marshall: Have you turned the tables on your own suppliers and are you requiring the same level of integration with them vis-à-vis materials development and so forth?

ANSWER, Mr. Fleck: We are trying to. To some extent we have a reasonably high level of vertical integration in that we make wire and cable, and we make compound. Again, we don't allow ours just to be captive suppliers. They have got to sell at least half their output outside, which helps keep them aware of market forces and what is going on and that type of thing.

We will attempt to do that with our suppliers and in some cases our suppliers might be a lot bigger than we are. They essentially tell us to go somewhere and not bother them too much. But we are working hard and, among other things, we are entering into a joint venture with a Japanese firm that has a lot of capabilities in the higher technology areas of manufacturing connectors and components. We hope to get technology

in that way and then to develop our own capabilities in a joint venture in North America. The feeling is that we are going to need many more of those manufacturing capabilities ourselves as a back up. If it is cheaper, then we would buy them outside, but the capability to do it ourselves is good to have if we need to put the pressure on our suppliers.

I think we can see changes taking place in our suppliers as well, because many of our suppliers are really concerned about their ability to survive.

QUESTION, Mr. Marshall: Do you anticipate that if a warranty obligation is imposed upon you, that you will be able to pass a similar obligation on to your suppliers?

ANSWER, Mr. Fleck: That certainly would be the objective.

QUESTION, Mr. Belch: Would you comment more on what you said about trying to focus away from the downward adjustment.

ANSWER, Mr. Fleck: I focused away from it. Remember, I made this difference. To the extent that it is done, I want the focus to be on the worker, rather than on the company, so that the funds are going to the people. There is a tendency to try to keep the company going, rather than helping the individual or seeing the funds float to the individual.

COMMENT, Mr. Belch: I agree with you and much of what we have tried to do has been pointed in the same direction. When you look at a free trade area, the big difference between Canada and the United States is that we have got a lot of one-industry towns, one-company towns, so that the adjustment focus, while it's on the worker, is also on the enterprise. We try to keep the enterprise there to provide the employment for the worker. That's a very different situation from the United States side.

COMMENT, Mr. Fleck: That's a very tough situation that one just has to deal with when it comes up. Often it is unrealistic to try to keep that company going. You can look at the age profile of the workforce in that particular one-industry town and try to find ways to provide support, but the support will end at some time. You can relate the period of time that you carry it on to the age profile of the workforce and then it has a sunset quality to it. There will be support, but it will end at a particular period of time. Then you might have to actually move the people to the jobs, rather than the other way around. I don't see any other solutions for it.

QUESTION, Mr. Magnus: First, do you see an increased drive for awareness on the part of officials about regional industrial expansion and the science and technology of upward adjustment versus downward adjustment?

ANSWER, Mr. Fleck: In talking with people, I would say that it is the sort of thing where you get some support for the notion, but then you say there is no way that is going to fly in a political environment. So it's whether one can bring about that sort of change over time.

QUESTION, Mr. Magnus: That is the second part of my question, because I'm really wondering about the theory of it. The question in the Canadian reality is, how do we achieve that, given the regional disparity that exists in our country? How do we have this better day that the Prime Minister was talking about in theory a few weeks ago?

ANSWER, Mr. Fleck: Part of it comes when you look back at the previous regional development programs and say how successful these have been and when haven't they been that successful. To the extent to which you try to do them, at least you try to find natural reason for the industry to be in that particular part of the country. Some of the electronic firms have gone to Cape Breton, but there are very few that are going to survive in the long run.

I also feel that the Free Trade Agreement may help in terms of regional disparity. One of the real problems that we have in Canada is that "ribbon" right across the U.S. border. We have a lot of impediments to trade among the provinces of Canada, partly to try to keep jobs in the periphery. If we are able to negotiate with the United States, there may be more job-creating possibilities in the periphery on a north/south basis than now exists. Then the possibility exists for removing some of the impediments among the provinces, at least as an alternative. Politically there is no way that you can do it unless there were some north/south possibilities. I am, therefore, a little more optimistic about the benefits to the regions of Canada from a bilateral free trade arrangement than I am if we don't have it. I think it would be possible to get rid of some of those impediments and, if that happens, the economic benefits across the country will be greater.

QUESTION, Mr. Bilder: Would you comment on whether you think this is really going to work? Aren't others going to be able to produce at a lower cost as well as we are under a free trade agreement? I know we have to go in this direction but, in the long run, are we going to be able to keep ahead this way?

ANSWER, Mr. Fleck: Optimism is an important quality. I think it requires quite a bit of courage, for lack of a better word, to try to look forward twenty years. Now, we are waiting to move out even further. Sure, all of those things may happen but a lot of the discussion is theoretical and, from a practical point of view, many of the things may change with the various elements.

I would say Japan certainly would have the knowledge-intensive possibilities and I think Japan will be changing very much in this direction as well. They are now in a very tough situation. Their labor costs are higher than the American labor costs in many cases, given the yen/dollar exchange rate at the present time. North America is not alone. I'm sure other countries will move in that direction too. There will be varying degrees of success and there will continue to be pressures. I'm sure other changes will take place, but if we can at least get through the next fifteen or twenty years, that wouldn't be all bad.

QUESTION, Professor King: To what extent are the Japanese already there? You have been over there so you might know.

ANSWER, Mr. Fleck: It was interesting to me how they adapt. A friend in a large Japanese trading company was recently talking about joint ventures. He said that with the change in the yen, while his company has been essentially an exporting company, they now think that importing might be the way to go. He said they would like to enter into a joint venture with some firm in the retail business because they have a firm that makes some secret product that doesn't have retailing experience. They would like to learn about it and be in association with a successful retailer in your country and set up shops around Japan. That shows how adaptable those people are.

If we went through a 40% exchange rate change in Canada in a 12-month period, we would all be running up to Ottawa. But these guys are out hustling, so we know the Japanese certainly will change. The big companies in Japan are suffering, but the subcontractors are really suffering because they are the small firms. As I'm sure many of you know the Japanese economy is a dual economy. The smaller companies provide the adjustment possibilities so that the big companies can provide lifetime employment. There's no lifetime employment in those smaller firms. It is tough.

The smaller firms are the ones that are hurting, because the components are going offshore. The Japanese companies can't afford to buy the Japanese components for their auto plants and so the medium and smaller-sized firms are dying. They are having a tough time and I'm not quite sure how the adjustment will take place.

I think they will adjust by going into services in a higher proportion, just as in North America. But the relationship between the manufacturing and the services industries is not well understood.

The question is how much real solid manufacturing is needed to sustain or help sustain a service economy, and that's something we don't know.

QUESTION, Mr. Duvall: Could you comment about the product that you see coming out of the public schools and universities in relation to your business?

ANSWER, Mr. Fleck: As a Harvard Business School product, I have been a great exponent of a more practical side of management education for many years. There have been other sides of management education that are fairly theoretical, like at Carnegie and Chicago. I think the trend is much more toward the practical approach.

The programs at universities where you work for three months and go to school for three months are great programs in terms of training people. I knew a computer chap who was working on artificial intelligence. He compared the computer program at Waterloo—a university in Ontario—with the program at the University of Toronto. From the Wa-

terloo program you could go and get a job when you left. From the University of Toronto program you might be able to teach other students the same things you learned, but you might not actually go out and run a program. A higher proportion of the educational processes will be more "practically oriented," but the strong forces within the universities run against that. Certainly I'm not an advocate of 100% swing, but I am an advocate of a higher concern in the professional schools—law schools as well as business schools. You should get a product that can actually be used from the professional schools.

As for the ongoing, we have at the University of Toronto an executive M.B.A. program. The students in the program are out working for at least ten years. They come in on alternative Fridays and Saturdays. It is more of a mid-career program. I believe in these ongoing programs. I feel they are a very important part of the educational process.

QUESTION, Mr. LeNeveu: I would like to hear your comments on the need for a shift of public policy with regard to the direction of R&D to more emphasis on the low to medium technology sectors of the economy as opposed to the high tech. Should there be groupings that are scoped to have approved R&D, at least precompetitive R&D, among the firms? That's always been a problem in Canada in terms of size and the ability to redo that critical R&D that has to be done up front.

ANSWER, Mr. Fleck: It's possible, with regard to the defusion of what is available, because I think there is a tremendous amount that is available. More resources should be used to try to get the availability spread around and less resources used trying to create more. But in relation to your notion about companies of our size being able to do much original work, I don't think we can. It is possible that you can do the so-called precompetitive stage. It may be difficult to know when the R&D is precompetitive and when it starts to become competitive, because the cooperation level goes down rapidly. I'm certainly in favor of precompetitive R&D but I'm not quite sure how practically to do it.

Certainly I know that companies of our size are not going to be able to do much that is really original, but there is so much around. If you do much of a job of finding it and utilizing it, you still can make tremendous strides.

QUESTION, Ms. Delagran: There have been a number of studies about the rate of defusion of technology in Canada that say the rate is extremely slow. Do you see a free trade agreement as having a major impact on that?

ANSWER, Mr. Fleck: Well, I see it as having a major impact just because we are going to have competitive forces again. My father was in the toy business and I remember saying that we did not have a R&D department. We just went down to the toy show in February to get ideas. When you are small, that essentially is what it is; you are just out

there seeing what else is available. But some of the defusion will come through necessity.

If we are exposed to more competition, we will either get better or we won't be there. The other factor that isn't recognized is the tremendous churning that is taking place in the economy. A colleague at MIT showed that roughly seven percent of all of the jobs in the United States were phased out each year. Even with the number of new jobs that were created in the south and in the west, and there were less in some parts of the north, there was that tremendous change that was taking place with or without free trade. It is somewhat difficult to come up with adjustment programs for free trade from Canada and the United States, because it is hard to isolate what brought about the change.

In any event, there's tremendous change going on and it is just a normal part of our activity. There's political pressure on the politician to put his finger in the dyke to stop jobs from draining away. But seven percent of those jobs are going to be phased out anyway. It is unfortunate because there are only going to be a few isolated cases that are going to get the politicians attention and they are not going to make much difference.

We should be providing a climate that nurtures creation. A set of horizontal policies in terms of taxes and other things can make it easier for new companies to get started. Chapter 11, the bankruptcy law in the United States, is better than bankruptcy law in Canada, because it allows you to fail and still start again. If you go bankrupt in Germany, the bankruptcy is a personal stigma for life. You just can't get away with it in the same way as you can in the United States. It is much more difficult for new firms to get started and for new jobs to be nurtured. It's providing a climate that nurtures new jobs that I think is most important.

QUESTION, Ms. Delagran: Do you see any policy, apart from training, that would speed up the defusion of technology?

ANSWER, Mr. Fleck: Part of another way would be finding means to bring together the information and get it out in palatable form. Publishing the material in a way that is readable and accessible would be another aspect that could happen. Demonstration shows would be another way.

Communication about what is being done in various companies and making information more accessible to others, would help motivate others to try and make changes. Then you see others are doing it and doing it successfully. There is a wide range, but that was just one suggestion.

QUESTION, Mr. Keith: How do you achieve that crucial degree of motivation, particularly in terms of management style, compensation, and profit sharing?

ANSWER, Mr. Fleck: One has the feeling that it is standard stuff,

that people feel they are an important part of what is going on. We are trying, but I don't know how well it will work. In plants in Tillsonburg, we conducted brief one-on-one interviews—supervisor/worker—where there was an opportunity to get an exchange. It has its negatives, because it is the supervisor and the worker, but we are really just trying to increase communication. We are trying to indicate how the company is doing, and trying to get some feeling of identification that our futures go together. It's not easy and it's not completely successful. You just keep trying: with enthusiasm.

QUESTION, Mr. Knopf: If we go with your concept about the cost-side adjustment, do you have faith that the market in North America can target the appropriate places where this type of adjustment should take place? The Japanese government in particular was very influential in targeting certain sectors such as, cars and television sets where Japan incorporated to compete worldwide. I'm asking this question because I was sitting here thinking that you are obviously a very successful businessman and entrepreneur and very adaptable, but also rather dependent on an industry—the automobile industry—that is being forecast for an early and painful death in North America.

ANSWER, Mr. Fleck: Let me react to a couple of those. First, in terms of my own firm, we are trying to adapt in the sense that I mentioned. We are in the automotive field, but we are also in the electronics field. We are becoming a very important part of Xerox. We are also in the appliance field, where we are trying to get some diversification.

Second, a lot of our growth has come through taking a market share from others in the automotive field. As a result even when the automotive field wasn't doing well, we were growing. That is ending now, because longer-term relationships are being established where there won't be the opportunity to get an increased market share. We are very much aware of that.

In relation to the Japanese, they weren't that great in picking industries. In fact, MITI, a part of the Japanese government, tried to slow down the automotive industry. They tried to consolidate them down into a smaller number of automotive firms. The automotive industry told MITI to go jump in the lake. In the last decade, certainly the last five years, MITI has not been as strong a force as they were before that time. Before that time, there was discussion with industries, and at least they had a common goal. The goal was growth and the rescue of those Japanese companies.

When you are talking with government in North America, sharing that way is not necessarily the common goal. Furthermore, I have very little confidence in the ability of government to pick the winners and losers. I don't think that the Japanese government did it that well. Even if I'm wrong, there was a story about a former bank governor in Canada. He was walking down the street in Ottawa with his head hanging down and somebody asked him what he thought about the state of the econ-

omy. His head popped up and he said, "I'm very optimistic." Then the person said, "Well, why do you look so downcast?" The bank governor replied, "Because I'm not sure that my optimism is justified." With that note, I'll end.

