

difference and acknowledges that the Canadian currency only works in its favour. "I tell them, 'We'll do whatever you're doing in the U.S. and automatically bring down the bottom line by 10, 20, 30 cents,'" says Mr. Belcher. "We also have better tax incentives and access to foreign markets, not to mention less litigation."

### Hughes Today

Since its original ATC mandate, Hughes Canada has continued to procure mandates from its parent corporation. While some are worldwide, oftentimes the Canadian subsidiaries are mandated to provide system support to other systems within the Hughes corporation. Mr. Belcher explains that established credibility due to past successful performances by Hughes' Canadian subsidiaries have encouraged the parent corporation to continue mandating them. In addition, all Hughes' subsidiaries are urged to further develop product lines. They are simply required to present good business cases and adhere to the basic structure of the company's mission. The parent company invites its subsidiaries to be wide open to this sort of opportunity.

"To be a pioneer means more than being the first to enter new territory. It means meeting the challenge of a new environment and creating something new. A pioneer leads the way for others to follow. That has been the role of the Hughes Aircraft Company for more

than half a century -- in aviation, communications and space technology," says Mr. Belcher. He supports his claim by citing Hughes' Information Technology Centre in Calgary to illustrate his point. To meet the challenge of common information access and distribution problems, this centre of Hughes designed and implemented a technology for a medical remote care network that links medical centre units with hospitals' centres of excellence.

One of the harshest realities the company has had to contend with over the past five years is a significant drop in military spending. "This required dramatic changes in strategy, a budget reality and a competitive necessity to survive," explains Belcher. As a result, Hughes needed to restructure itself to enter into the commercial marketplace and reduce its overhead by \$2 billion over a two year period. "Our Chairman, Michael Armstrong, accomplished this by downsizing by 30,000 people since 1986, closing over one hundred establishments and reapplying Hughes' technology into commercial means. That means taking Hughes' satellite surveillance business and moving it into commercial communications broadcasting," says Mr. Belcher. Hughes now owns 48% of all commercial satellite transponders and is launching a communications satellite once every six weeks with multiyear backlog.