

Massey-Ferguson Aims At U.S. Corn Belt Market

By KEN SMITH
Canadian Press Business Editor

TORONTO (CP) — Massey-Ferguson Ltd., the giant international farm machinery corporation, is taking aim at the richest market in the world for its products — the United States corn belt.

Picked by many financial analysts as the next Canadian-

based business to crack through the billion-dollar annual sales barrier — Distillers Corp. — Seagrams Ltd. became the first earlier this year — Massey-Ferguson has plotted its attack on the market like an army.

The corn belt, taking in 10 states in the central U.S., represents 40 per cent of the U.S.

annual farm machinery market of \$2,500,000,000.

"We've climbed to third place in U.S. sales from seventh, but we want to be first," says a Massey-Ferguson official. "So that seems to be the place to start."

"Up to two years ago few of our products were suited to the cornbelt farmer. First we had to develop new machinery suited to his requirements, then the logical step was to establish a corporate identity with him."

SHIFT EXECUTIVES

To accomplish that, Massey-Ferguson is shifting about 150 executives to Des Moines, Iowa, from Toronto and Detroit.

The shift started rumors when it was announced in September that Massey-Ferguson Ltd., 99-per-cent owned by Canadian shareholders, was preparing to slip essential control to the U.S.

"Nothing could be farther from the truth," the company says.

"It's just that experience has convinced us you need corporate roots in an area to make a real impact on the market. You can't be just an exporter in our opinion."

The executives being shifted to Des Moines, including about 50 or 60 from Toronto, are bas-

ically marketing men who have dealt with U.S. sales. Most are Americans.

They work under Massey-Ferguson's North American operations, an umbrella-like organization that covers the corporation's separate Canadian and U.S. subsidiaries.

BOUGHT PLANT

Massey-Ferguson has bought a plant at Des Moines which it will be operating in about a year as an assembly operation, putting together components manufactured in Canada.

This international operation is possible partly because Canada and the U.S. have had tariff-free trade in farm machinery and parts since 1944, but also because Massey-Ferguson has for years carried out a deliberate policy of what one analyst says is probably the world's most successful product standardization.

The company has been the subject of two detailed studies by Toronto brokerage houses this year. Although Toronto analysts normally are rated a conservative bunch, both studies agree Massey-Ferguson should reach \$1,000,000,000 in sales by about 1967.

Last year sales were a record \$772,000,000, with net profit of \$45,000,000, compared with \$685,000,000 and \$24,000,000 in 1965.

HAD LABOR TROUBLE

The company's position suffered early this year because of labor woes in its English operation, high start-up costs for new products and temporary shortages at the retail level of its latest equipment, and as a re-

sult first-half profits were cut by almost two-thirds compared with 1964.

"Profits recovered for the third quarter, however, and should be sharply ahead for the fourth as tractor production is running 20 per cent ahead of last year and start-up costs are no longer a problem," says the more recent report, prepared by Flood, Wittstock and Co.

Next year, predicts the other study by R. A. Daly and Co. Ltd., sales should be about \$940,000,000 and net profits about \$65,000,000.

Britain Seen Best Market For Rhodesia

UNITED NATIONS (Reuters) Britain is Rhodesia's largest overseas market and Iran and Bahrain are its largest suppliers of oil, statistics made available here Monday show.

But the figures show that many other countries, including South Africa, have considerable trade ties with Rhodesia, which declared independence from Britain two weeks ago.

The statistics made clear where any disruption of trade, requested by the Security Council Saturday, would have an effect.

Half of Rhodesia's tobacco crop, which made up 32.9 per cent of her exports in 1964, and nearly a third of her asbestos

SECOND SECTION

fibres, which made up 8.4 per cent of her exports, went to Britain.

Other buyers of Rhodesian tobacco included West Germany (13.6 per cent); The Netherlands (4.7 per cent); Japan (3.9 per cent); and Australia (3.1 per cent).

But Rhodesian clothing, the largest export, worth \$25,300,000 (\$15,900,000), went mostly to Zambia, South Africa and Malawi.

The UN statistical office, which made available the breakdown of Rhodesian exports, did not provide similar information on imports.

However, a check through official data available here showed that Britain and South Africa were Rhodesia's biggest sources of imports other than oil.

Iran was by far the largest oil supplier, selling petrol and other oil-based products worth more than \$25,100,000 last year.



BABY HAS PRE-BIRTH TRANSFUSIONS

Mrs. Ernest Mitchell holds six-month son Stanley in Westey, R.I., Hospital Wednesday. The baby born Sunday had two blood transfusions two months ago while in mother's womb. Doctors said transfusions were performed at Yale hospital in New Haven, Conn., because of an RH factor that reacted against unborn child. The Mitchells are from Block Island off the Rhode Island coast (AP Wirephoto)

Aid Is Sought For Oldsters

TORONTO (CP) — Bernard Sky, 76, said here he wants Ontario government assistance to open a small plant to provide work for persons older than 65.

"If a man retires at 65 and he happens to be lucky enough to live to 70 or 80, that's a heck of a long time to do nothing, isn't it?" he asked the legislature's select committee on aging.

The stocky, jovial Toronto resident and his sister Sandra held the committee spellbound for about 90 minutes as they emphasized a person's usefulness doesn't end at retirement.

"If you're not interested to do anything, you may as well be dead, as far as I'm concerned," Mr. Sky said.

"That keeps me younger than the average 76-year-old — new projects all the time, always something to do."

Mr. Sky said he has lots of ideas for the retired set. Among them are setting up a plant to turn out portable insulated buildings and a shop to produce small plastic objects.

He said that in 1963 he tried to start an old folks' business as co-operative among about 60 persons. Each put in \$10—which hardly paid for stationary—but the group eventually disintegrated because of lack of working capital.

Heavy Water Plant Future Not Bright

REGINA (CP)—Premier Ross Thatcher of Saskatchewan said Friday prospects for construction of a \$45,000,000 heavy water plant at Esievan, Sask., with present interested companies are "not encouraging."

Mr. Thatcher said to a chamber of commerce meeting in Es-

ievan Thursday night that although present prospects are not encouraging the government is continuing its efforts to obtain a heavy water plant for Estevan.

Mr. Thatcher, reviewing the history of the on-again, off-again plant, said after the first company that was going to build the plant, Western Deuterium, indicated it could not do it, the Atomic Energy of Canada turned to the second bidder for the plant, Dynamic Power Corp. of Calgary.

The premier said it now appeared this second company re-

quired the Saskatchewan government to put up all of the capital needed to construct the plant.

"While the government is willing to assist in the financing to a substantial extent it could not be placed in the position of putting up all of the capital," Mr. Thatcher said.

Mr. Thatcher said the government feels it has done all it could to obtain the plant for the province working with the present company, Dynamic Power, but still is prepared to "guarantee to any reliable company a major proportion of the financing."

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