

line of credit agreement with Ceskoslovenska Obchodni Banka, A.S. of Czechoslovakia to support the sale of additional goods and services for the Ruzomberok pulp mill project by H.A. Simons (Overseas) Ltd. of Vancouver, British Columbia to Technopol, the Czechoslovakian foreign trade organization responsible for the import and export of equipment and machinery for the paper and cellulose industries.

### Bank of Montreal announces biggest takeover

The Bank of Montreal is poised to become the second-largest financial institution in Canada through the \$672.3-million acquisition of Harris Bankcorp Inc. of Chicago, a major corporate lender in the midwestern United States.

"The biggest banking market in the world, bar none, is the United States," said William Mulholland, chairman, in explaining the reason for the move.

The takeover makes the Bank of Montreal the sixth-largest foreign financial institution in the United States. It will also have an enormous impact on the Bank of Montreal, which is considered one of the most aggressive financial institutions in Canada, but has a relatively low level of profitability.



William Mulholland

Currently, the Canadian Imperial Bank of Commerce is the No. 2 lender — behind the Royal Bank of Canada — with assets of \$67.9 billion. Adding \$9.4 billion from the US institution will allow the Bank of Montreal to leap-frog this figure to \$73.1 billion.

Harris is a bank holding company. Its main asset is Harris Trust and Savings Bank of Chicago.

A total of \$82 (US) in cash will be paid for each of Harris Bankcorp's 6.67 million shares, well above their book value of \$59.60 at mid-1983, and significantly above the price of \$46 in August before takeover rumours swept through US stock markets.

When the offer is completed sometime over the next year, Harris will be merged with a newly-created subsidiary of the Bank of Montreal, subject to approval by Harris shareholders and US regulatory authorities.

### Development agreement marks visit of China's Foreign Minister



Prime Minister Pierre Trudeau (right) and External Affairs Minister Allan MacEachen (centre) greet Chinese Foreign Minister Wu Zuequian (left) during his recent visit to Ottawa. This was the first visit to Canada in three years by a Chinese official.

An agreement on development cooperation between the People's Republic of China and Canada was signed on October 5 during a six-day visit to Canada of Chinese Foreign Minister Wu Xuequian. The visit, the first to Canada in three years by a Chinese official, included Toronto, Hamilton, Niagara Falls, Pickering, as well as Montreal.

During his two days in Ottawa, Foreign Minister Wu held talks with External Affairs Minister Allan MacEachen. He also met Prime Minister Pierre Trudeau for discussions on international issues, including their common concern about promoting disarmament negotiations between the Soviet Union and the United States.

#### Aid agreement

The agreement, signed by the two countries, is intended to provide a framework within which Canada and China will cooperate on projects designed to contribute to China's development. The official Canadian partner to the agreement is

the Canadian International Development Agency, while the Chinese counterpart is the Ministry of Foreign Economic Relations and Trade.

Under the terms of the agreement, Canada may provide China with short- and long-term advisers, scholarships, equipment and materials, feasibility studies and the promotion of relationships between institutions, corporations and the private sector to assist China in its industrial and technological development.

At a news conference held at the end of his Ottawa visit, Mr. Wu said that bilateral trade should "continue and expand" and that a seal of approval to expand relations will be given by Chinese Premier Zhao Zyang during a forthcoming visit to Canada in January. He pointed out that the visit would be the first to Canada by a Chinese premier and emphasized that it is a sign of China's desire to "strengthen ties" with Canada, the first Western nation to extend political recognition to the People's Republic of China 13 years ago.