

Countertrade:

2) A second area that has already been touched upon has to do with the whole issue of payments as a result of debt limitations or financial requirements of the Central Bank of a country regarding foreign exchange. This is actually taking place in some of the rim of Asia, the Indonesias, the Malaysias, to some extent but for most Canadian and American companies this essentially has been a phenomenon where they realized most extensively in Latin America. Part of that reason is that American and Canadian companies are well established in Latin America and have had plants and business in Latin American for quite some time. It is not like the rim of Asia where very often they don't have as much activity and haven't had a long history of activity. Plus you combine that with all the debt issues of Latin America and you see that the difficulties in term of getting paid for products that you actually produce in the country or that you basically need to get into the country to produce products.

Innovative Reaction to Rapid and Sudden Currency Changes:

3) A third related area that has to do with debt and liquidity but is slightly different, has to do with the whole issue of low payment and rapid currency change.

A very good example of this was back in Mexico three years ago, could say we could see some of the same examples coming out of Mexico as a result of changes in the last couple of months and continuing changes. But when the peso went from 26 to 250 or thereabout, all of a sudden the cost structure, on an international basis, of Mexico changed dramatically and