

Texas Economic Development Commission

QUARTERLY NEWS

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Mexico Office Gateway to Latin America

The Mexico City Office of the Texas Economic Development Commission is a gateway to the markets of Mexico and all of Latin America for Texas businesses.

Since 1971 the State of Texas Office has been helping Texans cut through the miles of red tape involved in exporting south of the Rio Grande.

"Our main job is to generate more business for Texas," said Luis Morales, director of the office. "We're here to help anything that's related to Texas."

Last year Morales and his staff of two helped generate more than \$22 million in trade and foreign investments for Texas businesses. The office costs less than \$100,000 a year to operate.

Many services for business

The State of Texas Office offers a myriad of services. Morales estimated that more than half his time is spent in

referring trade leads and counseling businessmen--both Texans seeking to do business in Mexico and Mexicans interested in doing business in Texas.

Morales helps businessmen register with the Mexican government, and helps them to comply with the often-changing laws and regulations. He helps Texas businesses locate Mexican distributors, representatives and suppliers, and even sets up meetings with the appropriate business and government officials.

Other services include trade show assistance, aid in establishing in-bond plants, and information on the currency situation.

The office also maintains a file of catalogs on Texas products and manufacturers for businessmen to examine. Information on Texas agricultural commodities is also available.

Morales works extensively with the Texas Department of Agriculture, and much of the business his office transacts involves agricultural products, including seed, grain, and beef and dairy cattle.

Last year Conasupo, the government-owned basic commodities store, purchased U.S. products valued at \$2 billion. Although no figures are available on how much of that went to Texas businesses, officials estimate that the state received a substantial amount of that trade.

Enormous trade

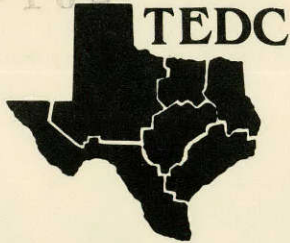
Texas does an "enormous" amount of agricultural trade with Mexico, said Paul Lewis, director of international marketing for the Agriculture Department. And TEDC's Mexico City office plays a key role in maintaining the smooth flow of

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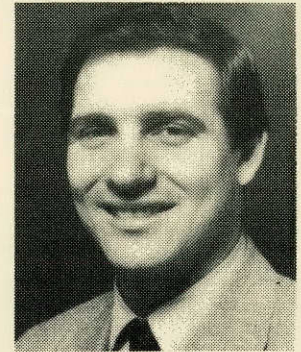
Mexico City

Luis Morales



QUARTERLY NEWS

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Economic diversification. These two words represent the goal of all of TEDC's activities. Diversification from an economy overly dependent on one industrial sector--oil and gas--to a flexible, dynamic economy which has many strengths. Diversification to an economy which is resilient enough that a recession in any one industrial sector does not harm the economy overall. Diversification to an economy in which high tech industries spring up and advanced technology is applied to other businesses so that dramatic improvements in productivity are realized.

At TEDC, we pursue this goal of economic diversification through a combination of activities and programs. The Small Business Revitalization Program helps small, healthy enterprises organize affordable fixed-asset financing so that these businesses can grow and add jobs. The Texas Small Business Industrial Development Corporation gives small businesses that would normally be unable to afford it access to industrial revenue bonds as a means of expansion. The Community Development Program, through the Texas Industrial Planning Seminar and the upcoming Texas Certified Cities Program, is helping communities throughout the state to develop more competitive programs and tools to attract, appreciate, retain, and build industry.

With our new Market Development Department we now have three major programs that are driven by user needs--international trade, small and minority business, and advanced technology. In each area we have a number of different initiatives designed to deliver valuable services and programs to a particular target audience.

Through the Regional Business Development Center, our six economic development specialists are responsible for traveling widely in their areas (Plains, East Texas, Metroplex, Gulf Coast, Central Corridor, and Border) and becoming familiar with the leadership, the natural resources, the infrastructure, the challenges, the assets, and the liabilities--so that new combinations can be put together to stimulate economic growth.

Through the Business Location Services Department and our new Business Regulations Assistance Center, we provide essential information to corporations interested in relocating or expanding to Texas.

The Texas economy IS becoming more diversified. Our state is benefitting from the nationwide shift to an information and service-based economy. But we must accelerate this trend throughout Texas, not to turn away from our traditional sources of prosperity, but to give us a stronger, more lasting economic base.

Budget Cuts Imperil Economic Programs

Many federal economic development programs will be eliminated if Congress passes President Reagan's proposed budget for fiscal 1986.

Still under consideration at press time, the budget proposes substantial cuts in or outright elimination of many services.

Summaries distributed by the Governor's Office of State-Federal Relations and the American Economic Development Council outline the changes and their potential effect on Texas' economic development.

SBA eliminated

The budget proposes elimination of the Small Business Administration's credit programs. Administration of outstanding SBA loans would be transferred to the Treasury Department.

Other SBA programs, such as advocacy and procurement, would be combined with the Minority Business Development Agency and would be transferred to the Department of Commerce. These programs would be administered by a new office within the department, the Administration for Enterprise Development & Opportunity.

Last year SBA provided \$80 million in disaster aid to small businesses in Texas that were hurt by nonphysical disasters such as the Mexican peso devaluation and the weak agricultural economy. SBA also provided financial assistance in the form of loan guarantees and, to a lesser extent, direct federal loans. Without these loan guarantees many small businesses may be unable to obtain private financing.

Reagan's budget calls for the termination of the Economic Development Administration and the Urban Development Action Grant program handled by the Department of Housing and Urban Development. The proposal suggests that state and local governments use Community Development Block Grant (CDBG) funds to continue these programs.

CDBG funding slashed

At the same time, CDBG funding would be cut by 10 percent if this budget were adopted. The 10 percent cut in the CDBG program would amount to a loss of approximately \$6 million for the state non-entitlement (small cities) program and \$16 million for entitlement cities and counties (cities of greater than 50,000 population, central cities of

metropolitan statistical areas and urban counties with populations over 20,000).

Combined with the elimination of the Farmers Home Administration housing programs, rural housing services would be lost and urban and rural community development severely curtailed.

General revenue sharing funds, provided to localities to use as they see fit, would also be eliminated. These funds are often used by local and county governments, to cover operating and personnel expenses. The loss of Texas' revenue sharing money, anticipated to be about \$240 million in fiscal 1986, would result in service curtailments and personnel lay-offs in many localities.

This reduction in federal resources for economic development will require tough decisions by the economic development community.

"In the short run," said TEDC Executive Director Harden Wiedemann, "they will require other scarce resources to be applied in their place.

"The long run is unknown at this time. What is known, however, is that these changes will require us to become ever more resourceful and innovative."

Laura Koenig

Mexico Office Is Gateway

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trade.

Despite Mexico's financial difficulties, "there continues to be a big, big, influx of American goods into Mexico," said Larry Lucero, TEDC's manager of Market Development. "The Mexico City office is an excellent mechanism to facilitate the flow of trade between Texas and Mexico."

Morales would like to extend his office's reach into Central and South America, to try to help Texas businesses tap the potentially huge markets there. Though his budget is limited, he is trying to make contact through Latin America, largely by mail.

"We use mail all the time," he said, adding that it is a valuable way to make contacts and spread the word about Texas without extensive - and expensive - travel.

The export of Texas goods to Mexico is not the only commerce Morales seeks to facilitate. "It's part of our function to

orient Mexican businesses to exporting to Texas," he said.

Incorporation procedures

The biggest such aid Morales offers is explaining Texas' incorporation procedures. "This is our largest reverse-investment service, and we've done this a lot in the last two years or so," he said.

Morales also helps businessmen learn about foreign trade zones in Texas, and will assist those who want to set up a business in Texas.

What would happen if the office was closed? Life, and trade, would go on, but Lewis, Lucero and Morales agree that it would hurt.

"We'd be forced to spend a lot more on travel," Lewis said.

"We'd lose a lot of trade," Lucero stated. "It wouldn't happen immediately, but we'd lose our place in the market. Having someone in the marketplace is what gives Texas the edge," he said. "And we'd lose that."

But perhaps the biggest loss would be the goodwill that has been generated since 1971. "We're the only state that has an office in Mexico City permanently,

that's open year round," Morales said. "This office shows the Mexican people that Texas is interested in Mexico. We're here in good times and in bad times, and that's important."

James Ferris



TEDC Commissioner Barbara Chaney discusses means of economic diversification with Executive Director Harden Wiedemann at a meeting in Austin.

For Texas Companies

Trade Fairs Foster Sales - and Much More

Trade fairs advance sales--and a whole lot more.

By participating in international trade fairs, Texas companies have the opportunity not only to make direct international sales, but also to secure foreign representation, make dozens of contacts, and learn from both foreign and domestic competition.

Trade fairs provide a mutually agreeable site for sellers and buyers, where there is a concentrated and joint presentation of a range of products.

There are basically two types of trade fairs overseas: general and specialized. The general or "sample" fairs are very large and promote up to 25 different industry categories at the same time. But due to industry specialization, general fairs have declined in popularity in recent years in the developed countries.

Specialized or vertical fairs concentrate their promotion efforts on a single industry category, like agricultural equipment or business/office equipment. They are almost always limited to a maximum of five days, and only trade visitors may attend.

Trade fairs successful

The trade fair method of penetrating a foreign market has proved successful for many companies.

For example, the U.S. Department of Commerce gathered data from experiences of 1,084 American exhibitors who took part in 30 official U.S. government-sponsored "pavillions" in German trade fairs between January 1977 and September 1980. On-the-spot results reported were: 1,083 agreements signed with overseas agents or distributors; 61,449 concrete trade leads; and direct, on-the-spot sales worth \$52 million.

A rule of thumb is that each dollar in direct sales by U.S. firms during a fair is often followed in the next year by another \$10 in follow-up orders directly attributable to the fair appearance. And trade fairs provide a much lower cost per "call" than one would experience with sales representatives on the road.

Contact is vital

The key to trade fairs is the efficient and effective personal selling environment. The dialogue that exists between the buyer and seller reveals the needs of the buyer and allows the seller to adapt the product to fit those needs.

Dialogue makes the difference, and the difference is enormous.

Companies considering participation in a trade fair should obtain the best available information on the export potential for their products in particular markets. They should gather information on the country and set goals and objectives, such as immediate sales, market penetration and establishment of overseas representation.

Companies should then identify the trade fairs where the widest possible exposure can be achieved, and research all aspects of the selected fair including, size, cost, duration and previous attendance.

It is important to begin preparation about 9-12 months in advance of the selected trade fair. Prospective exhibitors can receive valuable assistance from the U.S. Department of Commerce and the Texas Economic Development Commission.

Marie Mortland

IN BRIEF

Seventy percent of all new jobs in the country are being created in industries dominated by small business, figures recently compiled by the U.S. Small Business Administration reveal. The SBA found that between November 1982 and July 1984, those industries which are dominated by large firms--those with more than 500 employees--created 1.6 million jobs. During the same period, small firms--with fewer than 500 workers--created 3.2 million jobs. In addition, some 600,000 men and women set up their own businesses as sole proprietors. Thus, small enterprises were responsible for 3.8 million jobs, or 70 percent of the overall gain, the agency concluded.

★ ★ ★

Texas Economic Development Commissioner Barbara Chaney of El Paso has been elected president of Renaissance 400, an organization dedicated to improving the quality of life in El Paso. Chaney, president of Western Bank in El Paso, has been a member of Renaissance 400 since it was formed in 1981.

She has been on its board of directors and executive committee for two years. Chaney has been on the TEDC board since January 1984.

★ ★ ★

More than 70 students took the first step toward earning a certified industrial/economic developer designation when they completed the Basic Industrial Development Course (BIDC) March 22 in College Station. The five-day course in economic development was sponsored by the Texas Industrial Development Council and Texas A&M University. BIDC is one of only 10 economic development courses accredited by the American Economic Development Council.

★ ★ ★

Receipts of service industries nationwide grew 89 percent from 1977 to 1982, reported the U.S. Bureau of the Census. This sector surpassed growth in both retail and wholesale trade. Retail sales were up 49 percent while wholesale sales rose 59 percent. California, New York, and Texas had the highest volumes of service receipts in 1982. The fastest rates of growth were in Colorado, up 140 percent, and Texas, up 125 percent.

An "Introduction to Letters of Credit" seminar will be held from 2 to 4:30 p.m., Wednesday, June 12 at Club Giraud, 707 N. St. Mary's Street, San Antonio. The seminar is co-sponsored by the San Antonio Mayor's Office, the U.S. and Foreign Commercial Service of the Department of Commerce, and the San Antonio law firm of Brock and Kelfer. A \$25 registration fee will be payable at the door. Further information is available from Lesvia Guerra-Cox at (512) 299-8100.

★ ★ ★

Half of all new jobs expected by the year 2000 will be created in just 30 metropolitan areas, with Houston leading the way, predicted the National Planning Association. An additional 1.3 million jobs will be added in that area, according to the association. Other Texas cities included in this list are Dallas, ranked number five with 639,000 new jobs; Austin, ranked number 16 with 333,700 jobs; San Antonio, number 23 with 230,700 jobs; and Fort Worth, number 26 with 218,300 jobs.

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Trade Opportunities Grow in Mexico

The Mexican economy began to recover in 1984, offering increasing opportunities for Texas businesses.

Mexican imports have been rising steadily, with 1984 showing an increase of 30 percent over 1983, to almost \$12 billion. The Mexican government is expected to continue selective loosening of import controls, and gradual tariff reduction for goods needed for the production process.

The U.S. and Foreign Commercial Services offices in Mexico City, Guadalajara and Monterrey have identified a number of strong prospects for U.S. goods and services: computers, peripherals and software; telecommunications equipment; electronic components; agricultural equipment and irrigation systems; and oil and gas field equipment.

Other products with strong market potential include airport and ground support equipment; mining equipment; electric power production and distribution equipment; food processing and packaging equipment; industrial process control equipment; analytical and scientific instruments; textile machinery; educational materials; and specialty chemicals.

Import growth assured

The Mexican government's emphasis on telecommunications, metal processing, environmental control, computer technology, industrial port development, food processing and packaging, and home construction is part of a national development plan and will ensure growing levels of imports for these sectors.

Mexican industry leaders know that the best way to maintain up-to-date production machinery and techniques is to keep up with innovations from the United States. This is reflected by our 62 percent share of the Mexican import market in recent years.

Mexican businessmen know that the U.S. Trade Center in Mexico City is the place to see the latest in American equipment and technology. Sponsored by the U.S. and Foreign Commercial Service, the trade center uses multi-company industrial product displays and technical seminars to enable Mexican manufacturers to stay informed on industry developments and to improve service to their clients.

The center also offers U.S. businessmen and their local representatives an excellent site for private promotions of their product lines, sales conferences, workshops, technical seminars, hospitality events, film presentations and other events. Staff members will help exhibitors mount effective presentations.

Modern features

The trade center is equipped with the most modern trade show features. It offers in-bond facilities that permit temporary importation of display equipment for exhibition without payment of import duties. However, formal importation requirements must be met before any item can be transferred to a Mexican buyer.

Exhibitions are preceded by extensive promotional campaigns to assure attendance by major business and governmental leaders. With only limited foreign exchange available for travel, Mexican buyers have been attending U.S. Trade Center shows in record numbers. The schedule of trade shows, including tentative 1986 dates, is:

1985

June 4-7	Computer equipment, software, services
July 16-18	Chemical products for agriculture, general industry

(July 23-25)

Sept. 24-26
(Oct. 1-3)

Nov. 21-25

Dec. 3-5

March 11-14
April 15-18

May 20-23
June 24-27

July 15-18
Sept. 9-11

(Post-exhibition in Guadalajara)

Industrial process controls
(Post-exhibition in Monterrey)

Agriculture, livestock equipment

U.S. firms seeking Mexican agents and distributors

1986

Machine tools
Computer equipment, software services

Furniture, manufacturing
Telecommunications equipment, services

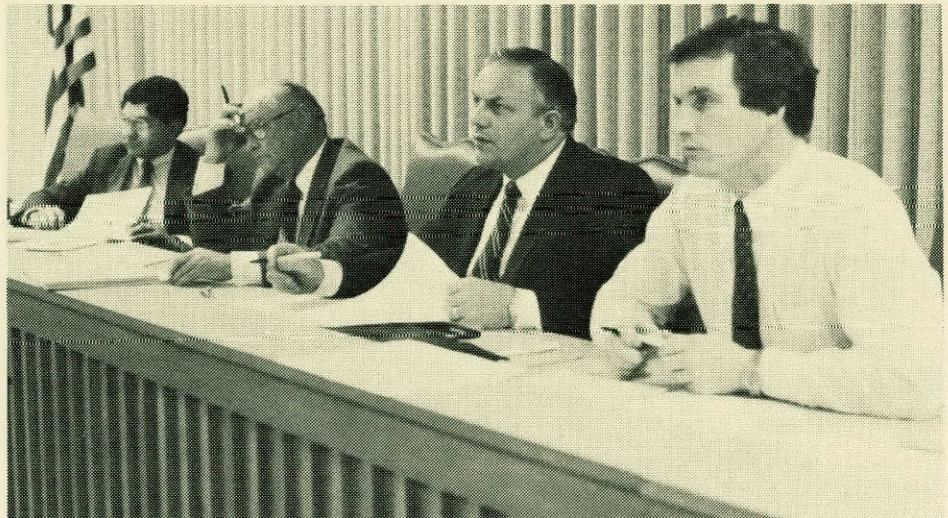
Graphic arts, materials
Medical equipment

Further information on trade shows is available from the Trade Promotion Officer, U.S. Trade Center, Liverpool No. 31, Mexico, D.F.; (905) 591-0155. Letters from outside Mexico should be addressed to P. O. Box 3087, Laredo, 78044.

Business counseling and information on exporting to Mexico are available from TEDC and U.S. and Foreign Commercial Service officers including Carmon Stiles in Dallas, (214) 767-0542; Felicitto Guerrero in Houston, (713) 226-4231; and Henry McCown in Austin, (512) 472-5059.

Henry McCown

Commission Hears Status of Bills



TEDC officials (from left) Commissioner Hector Gutierrez, Vice-Chairman J.A. Kloesel, Chairman Dan S. Petty and Executive Director Harden Wiedemann listen to a report on the status and effects of a number of bills in the Legislature.



Walter Hoke (left), small business analyst for TEDC, and Joe Marez of the U.S. Small Business Administration watch as Governor Mark White signs an order designating May 5-11 Small Business Week in Texas.

Texas, U.S. Salute Small Business

"The success of small business is evidence of the independence, creativity and personal determination of the individuals who own and operate them," said Governor Mark White as he designated May 5-11 as Small Business Week.

Acknowledgement of small firms within Texas coincided with a proclamation signed by President Reagan declaring this as a time to salute all American small businesses.

Honored during this time are several Texas businesses. Jaime Anzaldua, owner of St. Mary's Sewing Industries in Edcouch, has been selected as the Small Business Person for the state.

Hector Holguin, owner of the Holguin Corporation in El Paso received the National Small Business Innovation Award for innovations in his computer

Wall Street Journal Plans Texas Section

Texas has been offered a unique opportunity to tell its story to the European and Asian readers of the *Wall Street Journal* in a special Texas supplement. This supplement--the first of its kind for any state--will focus on Texas as an excellent place to do business and on promoting international trade and foreign investment opportunities.

More than 75 percent of the 27,000

software company.

Texans received other awards for their meritorious achievements. Crawford Technical Services, Inc. of Austin was selected as the outstanding federal procurement prime contractor in SBA's Region VI, which includes Louisiana, Arkansas, Oklahoma, New Mexico and Texas.

A woman-owned small business was chosen as the outstanding subcontractor in Region VI. Solidiform, Inc. is a Fort Worth manufacturing concern specializing in sand and investment castings.

More than 25 other Texas small businesses have been nominated for various SBA awards. Winners will be announced at a later date.

"The willingness and initiative small business owners have shown in accepting the risk and competition continues to make small businesses the backbone of our state's economy," said Larry Lucero, TEDC's manager of Market Development.

European *Wall Street Journal* readers are top management. The Asian edition estimates that 66 percent of its 28,500 readers are top management.

"This edition, scheduled for September, affords Texas businesses an outstanding opportunity to advertise their products and services to a growing market," said Harden Wiedemann, TEDC executive director.

Two Texas Sites Among Finalists

Efforts to lure the Navy homeport for the U.S.S. Wisconsin Battleship Surface Action Group have continued following the selection of the finalists, including two Texas sites: Houston-Galveston and Corpus Christi.

Retired Navy Captain James Ridge and his task force have completed the second, in-depth field surveys of the sites. Ridge is scheduled to make his recommendations this month to Navy Secretary John F. Lehman, Jr. Lehman is expected to make the final announcement by July 4.

On May 2 Governor White signed HB 955, an Act which creates a homeport trust fund. The money from this \$25 million fund will come from the water assistance fund and local parks fund. These proceeds may be used for necessary physical improvements which will be owned by the state, the navigation district, or the political subdivision and leased to the U.S. government.

This Act is effective when the Governor certifies that a Texas site has been selected by the Navy and that Congress has appropriated the funds for the development of the Gulf Coast Navy Homeport. If that certification is not made before January 1, 1986, the Act expires.

TEDC to Sponsor Seminar on Exports

Texas Economic Development Commission will co-sponsor a seminar on "Exporting to Japan" from 9 a.m. to 3 p.m., Wednesday, May 22 at the Hyatt Regency Hotel in San Antonio.

Officers of the U.S. Department of Commerce, Japan External Trade Organization, Long-Term Credit Bank of Japan and the Southwest Research Institute will discuss practical aspects of gaining access to the Japanese market, financing exports to Japan, and locating trading partners, agents and distributors.

Co-sponsors include the Greater San Antonio Chamber of Commerce, the Austin-San Antonio Growth Corridor Council and the U.S. and Foreign Commercial Service.

The \$20 registration fee includes lunch. Registration information is available from Paul Fairchild or Alice Velez, Greater San Antonio Chamber of Commerce, (512) 229-2133 or 229-2134.

Dan Petty: Business Must be Appreciated

"Business came where it was asked, and stayed where it was appreciated."

That sums up Texas Economic Development Commission Chairman Dan S. Petty's philosophy of economic development: recruit new business and industry, but make sure you encourage existing concerns to grow and prosper.

"Some 80 percent of the new jobs in Texas are created by the expansion of existing businesses," Petty said. "The best thing we can do is to help them do better."

Texarkana native

Petty is a native of Texarkana. After graduation from high school in 1957, he went to the University of Texas in Austin as one of the first football players recruited by illustrious coach Darrell Royal. Petty started out as a center for the Longhorns, but later moved to guard and tackle.

As a senior Petty became the team's placekicker as well. "Kicking field goals was not very prominent then," Petty said, "but we did defeat TCU 3-2, which is an unusual football score. Coach Royal said after the game that from that point forward he intended to have someone on the team who specialized in kicking, because it was becoming more and more important. They had just widened the goal posts and established the two-point conversion, and those two

administration there. That degree was followed by a fellowship to the Wharton School at the University of Pennsylvania, where he earned a second master's degree in governmental administration.

In 1963, Petty became assistant city manager of Lubbock, a position he held until 1967, when he became director of urban affairs for the North Central Texas Council of Governments in the Dallas-Fort Worth area.

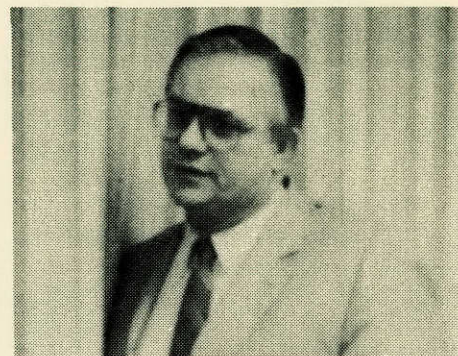
Planning director

In 1969 Governor Preston Smith made Petty his director of planning coordination. "We developed a concept of interagency councils in health, economic development, natural resources and human resources," Petty said.

Petty was also involved in the regional planning system, and was instrumental in devising a formula for state funding for regional planning, a formula still in use

further diversify its economic base," he said.

Petty outlined four key avenues to greater diversity: helping established businesses develop new opportunities; recruiting outside firms to relocate to Texas; encouraging international firms to choose Texas as their base of U.S. operations, and fostering exports of Texas products.



Close cooperation between government and private enterprise is important to Petty. "The state needs to be a side-by-side partner with the private sector in fostering economic development," he said.

But the community level is perhaps most important in the economic development process. "This is a grass-roots process," Petty said, "and that's why TEDC is so involved at building capacities at the local level."

'Client is quarterback'

But the most important element in the economic development process is the client, Petty said. "The client really is the quarterback," he said. "We are facilitators," he said. "The client calls the shots."

Petty said he is proud of the efforts of TEDC staff members, and added that he appreciates the confidence that the Legislature and Governor Mark White have shown in the agency. The close cooperation with the Texas Industrial Development Council has proved invaluable, he added.

But making things happen for client firms is only part of TEDC's job, Petty said.

"We need constant effort to make people aware of the good business climate and business attitude that Texas has," he said.

James Ferris



today. He was also involved in the formation of the Texas Film Commission in 1971.

After more than two years as planning director, Petty became the governor's executive assistant. He was director of public affairs for the University of Texas System for two years, and also served as assistant Dallas city manager and president of the Dallas Chamber of Commerce.

In late 1979 Petty was named president of the Henry S. Miller Company, a real estate brokerage and management firm. In autumn 1984 he joined Woodbine Development Corporation, concentrating on the firm's downtown Dallas office projects.

Increased economic diversity was Petty's goal when he became TEDC chairman in January 1984.

"The biggest need is for the state to



things caused the field goal to become prominent."

"I held the Southwest Conference record for most field goals in a season for two years," Petty said. "It was only six, and they kick that many in a game now," he said, laughing.

Petty majored in civil engineering at UT. After graduation, he began work on a master's degree in public

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International challenge

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Interest in General Motors Saturn Plant Still High

Interest in locating GM's Saturn plant continues to run high.

Responses generated by a second questionnaire have been gathered by TEDC staff and sent to Detroit.

Mimi Purnell, director of the Governor's Office of Economic Development, has been working closely with TEDC to develop an incentive package. This will focus on Texas' unique import/export capabilities, the commitment of the Governor and other Texas leaders to continue our favorable tax climate, and the state's commitment to train the labor force to meet Saturn's unique needs.

The Texas Department of Water Resources altered the Texas Input/Output Model to create a new sector specifically descriptive of the anticipated Saturn operation. All estimates are in 1984 prices.

Assuming that all data remain

unchanged, Saturn operations will produce an estimated \$3.4 billion of annual output. This amount of production will generate an additional \$6.2 billion for other businesses throughout Texas. The total annual new gross output resulting from the Saturn production processes, as estimated by the model, is \$9.6 billion in current dollars.

GM projects employment at the site at 6,000 jobs, with 14,000 jobs located nearby at closely-linked supplying establishments. The model estimates a total impact of 56,460 jobs statewide.

The direct effect on employment not closely linked to the site amount to 36,460 jobs. These will be created due to the presence of the plant, spending by employees and the workings of the economic multipliers as described in the model.

Direct income to persons -- salaries, dividends, bonuses and other compensation -- will be more than \$187 million. It is estimated that another \$1.1 billion of income will be generated indirectly throughout the state.

The operations, under current tax and fee assessments, would account for \$14 million in state revenue directly. The indirect influence on revenue is estimated to be \$54 million annually. Local revenues would be increased by \$23 million from direct plant operations; the indirect effect creates an estimated \$84 million in additional local revenue.

Officials at General Motors have extended the date for announcing the site location to July 15. At this time it is not known if a short list of possible sites will be announced, or if the actual site will be revealed.