

over 8,000 employees. The London plant has expanded from one engine a week to two per day, and increased its workforce by 500 to 2,000.

- The Chicago, Illinois production line of **FM Foods** will be closed and moved to the company's main facility in Newmarket, Ontario.
- **Bachan Aerospace** closed its Detroit plant and moved its full production to Windsor, Ontario.

3.2.2.5 New Investment Decisions:

Critics of the FTA have suggested that even if many existing plants and operations may not be threatened by tariff removal, new investment and locational decisions may favour the United States over Canada. Again examples can be found that go in both directions.

- **Whirlpool**, in deciding to phase out an obsolete washing machine line produced by its Canadian subsidiary, **Inglis**, did not choose to develop and manufacture a new version in Canada, but decided to replace it with a new machine designed and built in the United States, closing one of its plants in Canada and laying off 650 workers at three others.
- On the other hand, **Camco**, General Electric's Canadian appliance maker, is investing in an updated facility in Montreal to make dryers and dishwashers for the entire North American market, with at least 30 per cent of production destined for the United States.
- To meet its commitment to serve the North American toner market, noted above, **Xerox** will invest about \$17 million in new facilities in Newmarket, Ontario.
- Citing lower tariff barriers, **Dow** announced it would invest \$800 million in a new ethylene-based petrochemical plant in Fort Saskatchewan.

Other examples can be found in the automotive industry. While the auto industry has had free trade for 25 years, and the FTA probably plays only a small role, if any, in recent changes in the industry, increased competition from imports and excess capacity are leading to a massive re-organization of the North American industry and what happens may provide a picture of what to expect in other soon-to-be-rationalized sectors of the economy. It is expected that at least twelve "big three" plants are likely to close and questions have been raised as to which side of the border those closures will be on and where new investment will be made.

- **Ford** is closing an engine plant in Windsor which had been kept open to meet excess demand from a U.S. plant. At the same time, however, Ford will be opening a new plant to produce a similar product elsewhere in the United States. Ford has also failed to indicate the future of its Oakville assembly plant, even though the cars it produces are slated to be phased out in two years.