

- **Midas Muffler** has decided to serve a declining market for replacement mufflers from its more modern and underutilized plant in Hartford, Connecticut, closing its Scarborough plant.
- **Glidden (Canada)** will close two of its four Canadian plants, serving the Canadian market with excess capacity in U.S. plants.

At least one study completed by the Department of Industry, Science and Technology suggested that tariff removals and increased foreign competition in the electrical products industry might pose a challenge to Canadian manufacturers. Two recent examples seem to bear out this fear.

- **Square D**, an international electrical components manufacturer, has announced that it will consolidate production of two Canadian plants at Edmunston, N.B. and Port Colborne, Ontario into existing U.S. plants where production costs are lower due to higher volumes. The company has denied that FTA changes prompted its move.
- **GE Canada** has announced the closure of a portion of its Canadian light-bulb operations, in Montreal, Quebec. About 65 per cent of the production will be transferred to Oakville, Ontario, with the balance to the United States.

Relocations are not restricted to foreign-owned companies, however. Some Canadian companies have expanded operations, but done so by increasing employment in the United States while simultaneously reducing employee numbers in Canada.

- **K.T. Industries** of Winnipeg has laid off 20 of its 130 Canadian employees despite recent expansion into the United States.
- **Ivaco** is closing one of its Canadian steel plants, offering jobs in the United States to about 150 of its 350 laid-off employees.

The governments of Ohio, Illinois, Michigan and North Carolina have recently announced plans to open economic development offices in Toronto, joining New York which has had an office there for at least fifteen years. Pennsylvania and Indiana are considering opening offices as well, and the eight Great Lakes states are expected to open a joint-office soon. These offices attempt to persuade more Canadian companies to move to their states<sup>79</sup>.

Relocations have not all been a one-way exodus from Canada, however.

- The **Electro-Motive Division** of General Motors, which manufactures diesel locomotives, has nearly completed the transfer of its operations from an older and much larger plant in McCook, Illinois to London, Ontario. McCook has been reduced to one engine a week, from a peak of over five per day and lost

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<sup>79</sup> Canadian provinces have maintained such offices in various U.S. states since at least 1958, and total about two dozen in number.