

News Release

Communiqué

Minister for
International
Trade



Ministre du
Commerce
extérieur

November 24, 1988.

No. 242

STATEMENT ON GILLETTE PLANT CLOSING

International Trade Minister, John C. Crosbie, has issued the following statement concerning the announcement of Gillette Canada Inc. in Montreal and Toronto.

"The announcement of plans to close plants operated by Gillette Canada Inc. in Montreal and Toronto has nothing to do with the Canada-United States Free Trade Agreement.

The company has indicated that the closures are part of global restructuring of its operations to address problems of overcapacity and to improve its productivity and competitiveness.

We understand that this rationalization has already resulted in plant closures or sales in several other countries including the United States and the United Kingdom.

This process is part of the normal corporate response to changes in market forces affecting operations in several countries and therefore is clearly not a result of the Canada-United States Free Trade Agreement.

Under the FTA, current Canadian tariffs of 10.2 and 9 percent on razors and blades respectively, will be eliminated in 10 equal stages from 1989 to 1998. This is the longest phase out period for tariffs under the Agreement. It would therefore be highly unreasonable to argue that any company would close its operations during the first year of such a tariff phase out when the duty reduction would amount to approximately one percent."

External Affairs
Affaires extérieures
OTTAWA
NOV 29 1988

MEMORANDUM TO THE HONOURABLE MEMBER FOR
INTERNATIONAL TRADE AND COMMERCE