

and are necessary as long as ownership and control of the major elements of the industry rest in the United States. Others believe that the existing safeguards do not adequately provide for participation in the North American automotive market. The Automotive Parts Manufacturers' Association (APMA) and the Ontario Government have contended that the measure of success or failure of the Agreement should be judged by whether or not Canada achieves production equal to consumption in Canada. The United States administration rejects this production sharing concept as an objective of the Automotive Agreement. In a report to the United States Senate Committee on Finance, the United States Administration re-asserted its basic position:

"The United States has rejected the "fair share" concept on the grounds that the Auto Pact is a limited free trade arrangement, not a market sharing agreement, or a mechanism to manage an industrial strategy for the auto industry".⁹

The United States administration in any subsequent discussions on the Automotive Agreement is not likely to change its traditional posture of viewing the Agreement as essentially a free trade arrangement. The United States administration will continue to argue against the existence of the production safeguards and may be expected to take a more aggressive position against Canadian initiatives either to increase the safeguards as proposed in the 1983

⁹ Report on the North American Trade Agreements Office of the United States Trade Representative, (Washington, D.C.: US Trade Representatives Office 1981) p. 54.